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Forging an Intelligence Partnership: CIA and the Origins of the BND, 1949-56



Volume II

**Editor
Kevin C. Ruffner**

**Europe Division
National Clandestine Service**



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Policy

AIR

MOL-A- 6117

Chief, Foreign Division M

13 April 1951

Chief of Station, Karlsruhe

UTILITY-UPGROWTH Complex (continued)

REF : MOL-A-5930

1. UTILITY's character, motives and abilities have been examined in a long series of memoranda over the past six months, and these, coupled with a parallel series covering the relation of ZIPPER to UPGROWTH, have made it possible for us in MOL-A-5930 to establish, with some degree of definitiveness, UTILITY's position in the German scene and his relationship to ZIPPER. Much less systematic study has been applied to UTILITY-ZIPPER's relationship to AIS, although it has been talked about often enough, usually under the stress of one or another of our recurrent crises. Speculative discourse does not necessarily lead to the formation of policy, and it has not done so in this instance. Not having any clearly defined political policy to go by, and not even knowing our own minds in respect to UTILITY, UTILITY-UPGROWTH, ZIPPER-UPGROWTH, etc., we have seldom exercised any effective influence on developments and have earned for ourselves, in this respect at least, no more than a reputation for indecision or slowness in making up our minds. The rest of this memorandum, therefore, will attempt first to identify and define the prerequisites for policy decision, and then to recommend some policies which seem at once good and feasible under the existing circumstance.

2. The first element which must be firmly defined and understood is our relationship to UTILITY and ZIPPER. ZIPPER understands this to be a trusteeship, and we have encouraged it to do so. ZIPPER considers itself to be an autonomous German organization, responsible to the German leader, who, in turn, is responsible to his American "partner" for the fulfillment of the (undefined) terms of the trusteeship.

3. These terms can be defined in various ways, according to various interpretations of the few documents pertaining to the subject. But it is essential for us to realize that ZIPPER interprets this trusteeship as rendering ZIPPER responsible to us for such intelligence requirements as we present. Generally speaking, ZIPPER has faithfully fulfilled this obligation to the best of its abilities, and has accepted American staff influence and operational controls.

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4. ZIPPER feels that its relationship to UPGROWTH and other German authorities is pretty much its own affair, although UTILITY acknowledges his moral obligation to keep us informed and the necessity of coordination, which will exist as long as there is an American High Commissioner or an Ambassador with control authority vis-a-vis UPGROWTH. We have accepted this autonomy in principle, although reserving for ourselves the right of determining ZIPPER's and UTILITY's ultimate fate. We become concerned only when some political moves seem to indicate that we are being pushed into a decision or are being maneuvered into a position where the power of decision will be taken out of our hands.

5. Actually, it is doubtful whether we have this power at all. We are inclined to be influenced by the fact that we pay the bill, and a very sizeable bill at that. We react normally when UTILITY pulls stunts which would normally be followed by dismissal or resignation in a normal employer-employee relationship, and talk of "firing UTILITY." Again, it is doubtful whether we could fire him. The fact is that UTILITY is not our employee, despite the circumstance that we pay him. The relationship is closer to that of the ECA to the head or Minister of Economics of any foreign government which is receiving ECA assistance, the most important difference being that UTILITY is not legally responsible in the performance of his duties to any governmental authority; nor does he hold elective office. He feels himself morally responsible to [redacted] and would dearly love to make it legal, in which case, as WASHY-35023 has recognized, our present moral inhibitions would be compounded by legal ones.

6. We should have even fewer delusions about the extent to which we can influence the ultimate decision as to whether ZIPPER is to be the new OIS, negatively, at least. The only effective way in which we could prevent it would be to cut off its funds and force its dissolution, which is probably only theoretically a capability. For the rest, it is a German affair, and we had better admit it. We could prevent it now by interdiction through the Allied Commission. Indeed, if we didn't, the Allied Commission would probably prevent it anyway at the instance of the [redacted] or the [redacted]. But when the moment of decision comes, there will be no Allied Commission, and whatever control body still exists under the Contractual Agreement will not have the authority to interdict it. At least, it will not have the authority or the means of preventing its interdiction from being circumvented. The same reasoning applies essentially to the question of combined positive and CI/DE agencies. The [redacted] and the [redacted] are as sternly opposed to such a combination as we are, but once the controls are lifted, they will be as helpless as we to impose their will - or, again, to prevent circumvention.

7. On the basis of the foregoing, in conjunction with the observations contained in MOL-A-5930, we recommend as decisions of policy against which local problems should be weighed as they arise:

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a. That we formally acknowledge among ourselves the character of the trusteeship agreement according to the German interpretation as outlined in paragraphs 2, 3, and 4, above.

b. That we leave to the Germans the decision as to ZIPPER's future, including the question of whether it is to be taken over at all, and, if so, whether partially, piecemeal, or intact, reserving to ourselves only such aspects of the problem as involve our international relations and obligations (as, for example, para. 2 of WASHP-35083. This decision should be communicated to ZIPPER, along with assurances of our benevolent interest but without commitment for support, which ZIPPER shouldn't need.

c. That we leave to the Germans the issue of UTILITY's fate.

8. These seem to us to be the basic decisions necessary for our own policy guidance in meeting political contingencies as they arise, and capable of immediate adoption and implementation. They do not, however, completely solve the political policy problem. We can say now that we will not try to prevent ZIPPER's becoming the GIS, and we can classify it as a German problem. It is better than nothing, and at least a policy against which local decisions can be made. But it is essentially an interim solution.

9. Actually, ZIPPER is such a big organization, so important an asset to Western defense, and so valuable an investment of U.S. funds and energy, that we must seriously ask ourselves whether we can afford to regard its future with indifference. In other words, while we can decide now not to stand in its way, we should be asking ourselves whether we should not soon decide that we want ZIPPER to be the new GIS and get about the business of persuading the [redacted], the [redacted] and the Germans to this view.

10. This should not be too difficult. We have seen in the case of the Verfassungsschutz what it means to start a national intelligence agency from scratch, how long it takes and how inadequate the result is over a long period of time. The dissolution of ZIPPER would create a gap of at least two years in Germany's positive intelligence contribution, which is something that neither we nor our Allies could contemplate with satisfaction. The only other alternative to the acceptance of ZIPPER as the GIS would be the continuance of ZIPPER under our sponsorship while a German-sponsored GIS was in the process of organization. This is absolutely out of the question, since ZIPPER could not and would not stand by and cover a rival's infancy and adolescence. There would be an immediate rush of ZIPPERites to climb on board the official German organization, and the result would be a dissolution of ZIPPER no less complete and rather more chaotic than dissolution by design, pure and simple.

11. Should we decide that we do want ZIPPER as the GIS, we should begin fairly soon to take the [redacted] and [redacted] in on the plan. We should, at

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the very least, find out how they feel about it and make our own plans, accordingly.

12. In re-reading the foregoing, it occurs to us that there is one aspect of the problem which has never been subjected to adequate analysis and about which, consequently, there has been a good deal of unrealistic speculation. This is the question of GIS vs. Q-2 and the adjacent questions of whether ZIPPER, should it be taken over by UPGROWTH, should go piecemeal, partially, or intact.

13. Actually, this is not the problem. ZIPPER, as an intelligence service existing apart from any normal governmental framework, is not a normally constituted intelligence service. Not having access to normal governmental auxiliaries, it has had to create substitutes within its own organization. Thus there exist within ZIPPER today both personnel and services which, within a normal governmental structure, would be the responsibility of other governmental agencies, such as Army, Navy, Air Force, Foreign Office, Security Services, etc. This is why its budget is comparatively high and its staff organization rather cut-sized.

14. Thus, the absorption of ZIPPER into UPGROWTH as a compact package is out of the question. The transfer is bound to be piecemeal, and none of its constituent parts can be much more than a nucleus or a supplement for governmental agencies already organized (such as the VS and the Foreign Office) or for agencies yet to be organized (such as the Armed Services and the GIS).

15. The most important nuclei within ZIPPER are the Evaluation Section (Q-2), the collecting agencies, both staffs and General Agencies (GIS) and QV L (VS). It is important to us (1) that these institutions continue working for us at the highest possible standard until such time as it is financially and politically advisable for UPGROWTH to take them over, and (2) that they be transferred, when the time comes, in such a way as to preserve the continuity of coordinated staff work among themselves, and between themselves and us, which has been so carefully and expensively developed as a result of our investments of cash and personnel over the past five years.

16. From the above it will be seen that the question of whether or not ZIPPER is to be the future GIS is essentially academic and unrealistic. It won't be, if only because ZIPPER is not fashioned to fit in a normal governmental structure. But there will certainly be strong ZIPPER representation in all the future governmental agencies pertinent to intelligence functions, and it should be our concern that this takes place in such a way as to secure for us the objectives cited in para. 16, above. That is the purpose of the "interim solution" which has been the subject of so much recent cable traffic.

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Policy

26 April 1961

MEMORANDUM FOR: DIRECTOR (PLANS)

SUBJECT: Policy on ZIPPER.

1. Attached is a paraphrase of a cable from Germany (TAB A) which is a follow up on the suggestions outlined to you in my memorandum of 20 April 1961 (TAB B). Gordon Stewart and our senior representative with ZIPPER met on 27 April 1961 with General Gehlen and General Heusinger, and agreed at that meeting on a timetable and an approach for the problem of recognition for ZIPPER by the Bonn Government. Our representatives and ZIPPER have also tentatively agreed that it would be premature this early in the negotiations to present Bonn with the final alternatives of recognizing ZIPPER or resigning itself to ZIPPER's assimilation by United States Intelligence.

2. This memorandum is only for the purpose of keeping you informed as the ZIPPER question develops; no Washington decision is required.

W. G. WYMAN
Assistant Director
Special Operations

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CABLE FROM PULLACH

1. Gordon Stewart and our senior representative with ZIPPER met on 27 April 1951 with General Gehlen and General Hausinger, and agreement was reached on the following procedure and time table:

a. Stewart, probably about the middle of May, will brief High Commissioner McCloy on the current ZIPPER-Bonn situation, and will ask the High Commissioner to discuss overall U.S. intelligence interests in Germany with Chancellor Adenauer. He will be asked to point out particularly that:

(1) We recognize Germany's advantageous geographical situation in terms of intelligence, and we are interested in the development of a strong, well-rounded German Intelligence Service capable of serving both German and general western defense requirements. The critical need for this is illustrated by the existence in Germany of so many potential governmental and private intelligence sources which presently are not coordinated or even, in some cases, exploited.

(2) ZIPPER is the best collector and evaluator of Soviet information now working in the interests of western defense.

(3) Gehlen is an outstanding authority on Soviet intelligence and the man responsible for the preservation and the continuity of the services developed under Fremde Heere Ost.

(4) U.S. intelligence has always recognized the autonomous character of ZIPPER and has interpreted its relationship to ZIPPER as one of trusteeship.

(5) Both the United States and ZIPPER are anxious to preserve ZIPPER's German character.

(6) The increasing sovereignty of the Bonn Government and the emergence of an embryonic German Intelligence Service in Theodor Blank's office which may be hostile to ZIPPER have created a serious morale problem among ZIPPER personnel. The ZIPPER staff is made up of loyal Germans who are anxious for assurances of Bonn approval for their present activity and considerations for their future careers.

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(7) It is now time for the Chancellor to discuss ZIPPER problems with Gehlen and work out a solution for the continuance of the trusteeship relation and the preservation of the group as a German organization.

b. Commissioner McCloy will then communicate the preceding suggestions to Chancellor Adenauer.

c. Adenauer then, preferably at his initiative, should discuss the problem with Gehlen, who will suggest that the ideal solution would be for him to move into Adenauer's office as his senior intelligence advisor and coordinator. In this position he would serve as a symbol to ZIPPER personnel of the group's legitimacy.

d. Gehlen would attempt to get the approval of Dr. Kurt Schumacher, leader of the SPD, to the arrangement.

e. This plan is toward the maximum objective, and neither our representatives nor Gehlen expect it to come off without a hitch. There will have to be tactical adjustments and some compromises along the way, and it may be necessary to select an individual less compromised than Gehlen to be the ZIPPER representative.

f. Gordon Stewart's earlier proposal that we present Bonn with the alternatives of guaranteeing ZIPPER's future or resigning themselves to ZIPPER's assimilation by U.S. intelligence had been breached discreetly to Gehlen and Colonel Heinz-Dietrich Horre on 25 April. Gehlen was unenthusiastic, and Horre later commented privately to our representative that although knowledge of this proposal would be comforting to a number of more internationally minded staff members, it would probably be premature to introduce it into the negotiations with Bonn at this early stage.

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AIR

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MOLA-8039

War Crimes Protest file

Chief, Foreign Division M

1 September 1951

Chief of Station, Karlsruhe

Operational

Ramilitarization and the Landsberg Problem

1. At the party given here last night for General McClure, Mr. Horn took me aside early in the evening to fill me in on latest remilitarization developments. There was nothing of reportable interest in what he said with the exception of the very great emphasis which he gave to the problem of the former generals in Landsberg and Werl.

2. This has always been a source of embarrassment to such men as Heusinger, Speidel, Matsky, Schwerin, Pressner, and others who have thrown their weight solidly behind the Western defense effort and associated themselves openly and officially with their former enemies in the preliminary planning.

3. There is strong sentiment among the former Officers Corps that some gesture of clemency toward their colleagues in Landsberg and Werl should be a prerequisite for German military collaboration, and the men named above have had to accept a good deal of criticism for failing to make an issue of the matter.

4. Actually, no one underestimates the importance of the problem less than they do, and they have been tireless behind the scenes in their efforts to do something about it. But, being closer than the others to Allied policy makers, they are more keenly aware of the political problems which make action so difficult, particularly for Mr. McCloy.

5. Taking full account of the hazards of public opinion both in Germany and abroad, and attempting to achieve a realistic estimate of what is desirable and possible for the Germans and the Allies, the most influential among the conservative former senior officers - Heusinger, Speidel, Pressner, Foertsch, Matsky, Geyr von Schweppenburg, Schwerin, etc. - have consistently argued: (1) that there should be no attempt to reopen the cases; (2) that there should be no general pardon or mass release; (3) that whatever is done should be done gradually, quietly, and inconspicuously.

6. As examples of what they consider possible and desirable, these officers suggest: (1) paroles for the very aged; (2) medical paroles for the ailing; (3) segregation from common criminals; (4) exemption from such indignities as the periodic body search.

7. These views have frequently been communicated to the Allied leaders,

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but no progress has been made. With the remilitarization negotiations now approaching the decisive stage, and with the many veterans organizations moving closer to a united front, the problem is now, in Horn's opinion, critically acute. He stated literally: "I consider the Landsberg-Werl issue the most important of all the problems confronting us in the remilitarization negotiations - more important than the question of the size of German contingents, more important than the question of command, more important even than the question of equal rights."

8. The former officers have consistently argued that even a very small gesture would yield an enormous dividend in easing the pressure of veterans' impatience and smoothing the way for German-Allied military collaboration, such a gesture as a medical parole for Reinhardt (Landsberg) or the release or reduction of sentence for Mannstein or Kesselring (Werl).

9. There is nothing new about the problem or the position of the former German officers. What makes it a reportable item at this time is the new urgency attached to it by Horn, who is not easily agitated and who is in a better position than any other man to make a correct evaluation of its importance. Just how urgent he thinks it is may be inferred from the fact that he, who has always been reluctant to exploit his intelligence channel to high level US policy makers, has specifically requested that his concern about this problem be communicated via this channel to anyone in a position to influence it.

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8 October 1951

MEMORANDUM FOR THE RECORD

SUBJECT: DCI's Meeting with General Gehlen.

1. On 8 October Mr. Critchfield escorted General Gehlen to Mr. Dulles' office preparatory to a meeting with the DCI. The undersigned was also present. Mr. Dulles said that he wanted General Gehlen to understand that we looked forward to pleasant and profitable relations with General Gehlen's organization in the future; that we are pleased that he had established good liaison with Schumacher and Adenauer; that we are confident that his organization would be the future German Intelligence Service; and that our interests were mainly information on Eastern Europe which we are sure the Germans as colleagues would be willing to furnish us.

2. The DCI came into Mr. Dulles' office to get General Gehlen and escorted him into his office. The DCI expressed pleasure at seeing General Gehlen, asked about his visit to the U.S. and said he was sorry not to have been able to entertain him during his stay but that he himself had been away. The DCI then stated exactly the same principles as had been previously announced by Mr. Dulles. He pointed out that the U.S. had supported the Gehlen organization and that now that Germany was regaining its rightful place as a sovereign nation we are hopeful and optimistic that the Gehlen organization would be the future German Intelligence Service. He stressed the importance of avoiding politics and pointed out the advantageous position which CIA held as a result of avoiding politics. He said that CIA would be willing to support the Gehlen organization until such time as the German government could afford to and that we would be willing to give it any necessary assistance at all times. He said that we considered the German organization as colleagues and would ask them for nothing that a loyal German officer would be unwilling to provide. General Gehlen said that he understood this; greatly appreciated the opportunity of meeting General Smith; and looked forward to long and cordial relations with our organization similar to those in the past.

3. The DCI told General Gehlen that the U.S. was very interested in an accurate analysis of Soviet production. He stated that the basis for considerable U.S. and British war planning had been an analysis of Soviet factory production based on Western standards and calculated with a coefficient based on our estimate of Soviet inefficiency. He said that the British estimate was lower than the American but that he personally felt both were too high and cited the example of the Goodyear Tire factory which was given USSR in Land Lease and which produced 112 per cent of rated capacity in the U.S. but only 35 per cent in the USSR. He asked General Gehlen if his organization could do an independent study, based perhaps on original information that could be used for comparison purposes. General Gehlen said that he would do so and would try to furnish this by the middle of November.

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4. General Smith also asked General Gehlen to look up a former German officer named Oxenius who was General Jodl's interpreter during the Armistice talks and said that Oxenius was a very high type individual who might need some support. General Smith also observed that General Westphal was a consultant to Zipper and was his opposite number during the war in Europe and asked that his regards be sent to him. The DCI asked if there was anything we could do for General Gehlen in New York and the only request was that tickets be provided to see Premier Mossadegh address the U.N., which the DCI agreed was probably better than any show.

SIGNED

LYMAN B. KIRKPATRICK
Acting Assistant Director
Special Operations

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MEMORANDUM FOR THE RECORD:

12 November 1952

SUBJECT: Discussion Between General Smith and General MELLENTHIN
11:30 to 12:00 hours 12 November 1952

The following are statements made by General Smith to General MELLENTHIN:

1. General Smith started the discussion with general remarks about the cooperation of the German Service with CIA. General Smith informed MELLENTHIN that in the future the agency will conduct business with the German Service along the lines similar to the relationship that we enjoy with other sovereign countries. General Smith stated that he has instructed General Truscott to reduce his staff in Germany to approximately the size of CIA in [REDACTED], and specifically mentioned [REDACTED]. The Director remarked that he realizes that General GEHLEN and the German organization consists of responsible former officers and honorable people and he assures the German organization that we will never put the Germans in a position where it will result in a reflection of their honor and their loyalty to Germany.
2. Stay-behind and similar type activities henceforth will be conducted in Germany only with the acquiescence of the German Government and that the majority of the burden in this field must be borne by the German Service.
3. The Director read portions of the memo sent to him concerning ZIPPER proposals for clandestine operations in the Middle East. In this connection General Smith stated that we must be assured of close coordination of activities by the Germans and ourselves in this field; that as long as the subsidy continues we must work closer with the German Service than the stipulations laid down by General GEHLEN and that in certain instances we require true source data, and must closely coordinate specific target operations. General Smith used several examples of the necessity for very close coordination. He brought out the fact that lack of knowledge of sources raises the possibilities of false confirmation, papermill fabrications and that since the overall responsibility for the Agency is evaluation and, when General Smith has to report to the National Security Council on any particular situation, he must be assured that his evaluations are sound. In connection with this conversation, General Smith used the word "ZIPPER" on two occasions to MELLENTHIN. General Smith then stated that he was certain that the American staff

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working with him would be in touch with him for further discussions of this matter. He gave MELLENTHIN his word of honor that CIA was not interested in source information to buy out the German intelligence agents, and, furthermore, such sensitive information as names of sources would be handled only between the Director and one other man; and in this connection he will work directly with them. MELLENTHIN indicated to General Smith that possibly a closer degree of working relationship could be arranged than was indicated in General GERLEN's proposal. The Director gave another example of an Intelligence Service of a foreign power that CIA had been subsidizing for some time, and that due to their failure to provide us with sources it had been necessary to discontinue the subsidy and now they were supported only on specific operations.

4. Several minutes were spent discussing hunting and fishing privileges in Germany for Americans stationed there. General Smith explained the degree of avid interest of the Americans hunting in the U. S., etc., etc. MELLENTHIN raised this point to indicate to General Smith his appreciation and better understanding of American mentality. MELLENTHIN mentioned that in the negotiations for the Contractual Agreement, General HEUSINGER raised the matter of hunting rights for the Americans and their Allies, where a great percentage of hunting privileges was to be conceded by the Germans to the allies stationed in that country and that up until MELLENTHIN's present trip he didn't understand why Americans particularly were so interested in hunting privileges to that extent but since his trip he understands the necessity; that, using this as an example, he finds it most gratifying to come to the United States and when he returns to Germany he will inform General HEUSINGER. General Smith informed MELLENTHIN during the hunting and fishing discussion that his grandfather was a German Lieutenant from the Schwarzwald area serving under the Kaiser.

5. Following the conference with General Smith, MELLENTHIN and I had a short discussion during which MELLENTHIN recapitulated the points discussed by General Smith. It is clear beyond doubt that he understood every word mentioned by General Smith. MELLENTHIN stated that he could understand the position General Smith took in connection with the Middle East proposal and agrees that there must be close coordination and although he did not raise the matter or indicate his approval of General Smith's proposal to give sources, I have the impression that we will be able to get such operational details on a limited basis from ZIPPER. MELLENTHIN made a memo for the record and wrote down all of the points outlined above.

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Memorandum for the Record:

At 16:20 hours on Friday, November 14, Mr. Frank Wisner, D. Huefner, Major Schardt, General Mellenthin and Mr. Wendland met in the Director's conference room, Administration Building. The purpose of the meeting was to permit Mellenthin to ask several questions which he wished to discuss with someone.

Mr. Wisner opened the discussion by stating that he was very happy to talk to the visitors now that they had completed their official sessions with CIA and the Army in order to answer any questions which might remain.

General Mellenthin's first question concerned the relationship of CIA to various other U.S. departments such as Army, Air Force, State, Navy, Commerce. Mr. Wisner stated that relations with all these agencies were excellent, and although there had been some difficulties in the past, these had been overcome. Mr. Wisner went on to state that the American people had come to accept a central intelligence agency and stressed the importance of support of public opinion. He also pointed out the difficulties of working in a free and democratic society where a free press exists whose only restraint is its conscience. Mr. Wisner stated that a newspaper might agree to withhold publication of matters which might affect the intelligence security of the country but that as soon as another paper printed anything on the subject the first paper would regard such action as a sign to go all out with their story.

Mr. Wisner then cited the role of the DCI and stated that General Smith was not merely the DCIA but has power delegated by the President to coordinate and regulate the intelligence activity of all agencies. He made reference to the dominant personality of General Smith and his tremendous abilities. Mr. Wisner then informed Mellenthin that Gen. Smith met with the intelligence representatives of all other agencies at least once a week or more. He made reference to Mr. Kent's talk of the previous morning on national estimates and stated that until General Smith took over the Agency there was no such thing as a national estimate, and how each department, Air, Navy, etc., made its own estimates and how each was likely to stress its own field, for example, Navy might stress the size of the Soviet submarine fleet, while Air Force might exaggerate the size of the Soviet Air Force. Mr. Wisner then continued to explain how a truly national estimate assists the policy makers.

Mr. Wisner pointed out that although the Agency's intelligence product was passed to other departments, operational details were not. He also mentioned the spheres of responsibility of other departmental intelligence units and cited the State Department's responsibility for political intelligence. Mellenthin thereupon asked if the State Dept. had such an intelligence.

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gence organization and whether it was engaged in the clandestine collection of information. Mr. Wisner replied that they did have an assistant secretary for intelligence who had a staff, but no organization actually engaged in intelligence gathering, that this staff merely analyzed reports submitted, by State Department Foreign Service personnel in the normal course of their duties but that this State unit also received political intelligence gathered by CIA.

Mellenthin said that they envisaged certain difficulties between the GIS and the Bundes Amt fuer Verfassungsschutz and that he was interested in the degree of cooperation with the FBI. Mr. Wisner replied that CIA was responsible for external intelligence while internal matters rested solely with the FBI, and that relations between the two were excellent. He further stated that jurisdictional powers and hard and fast rules cannot be laid down in this day and age on the relationship of the internal service to the external and that generally one must negotiate and iron out the differences as they occur. Mr. Wisner then stated that he was anticipating a question by Mellenthin and, although CIA is charged with external intelligence, it does maintain offices throughout the United States which are charged with obtaining external intelligence through many sources such as banks, commercial enterprises, businessmen, etc.

The second major question posed by Mellenthin concerned CIA connections and liaison with foreign intelligence services, and whether CIA maintains liaison personnel with all services. Mellenthin also asked whether or not CIA gives the same information to all services. Mr. Wisner replied that these were very difficult questions to answer. He continued by saying the extent of our liaison depends largely upon what we think of the other service's security and vice versa what they think of us, and that it is primarily a question of confidence in each other. To the exchange question, Mr. Wisner replied that as a general rule, we do not give all liaison services the same product, that it is largely on a quid pro quo basis, an exchange between the services but that there are times when the same information is given to all services. Mr. Wisner then emphasized the requirement that when a second service passes on information to a third service it should indicate the first country as the original donor. Otherwise, the danger of false confirmation is obvious.

Mellenthin made reference to the Director's statement to him on Wednesday to the effect that the DCI had ordered General Truscott to reduce the size of his organization to that comparable to the CIA staff in [REDACTED]. Mellenthin went on to say that what he was about to ask was a delicate question and he would understand if Mr. Wisner did not care to answer "but just how large is the CIA staff in [REDACTED]?" Major Schardt interrupted at this point and reminded Mellenthin that the Director had mentioned "[REDACTED]" and "[REDACTED]" and had not confined the comparison to [REDACTED]. Mr. Wisner again replied that this was a most difficult question to answer and that it would be difficult to describe the size of our organization in [REDACTED] because there

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were many different departments, various activities and various kinds of cover and positions occupied. Mr. Wisner confirmed the fact that the order to reduce the German Station had been given and that it would be implemented in time but that it would take time. Mr. Wisner stated it was our intention, to scale down the size gradually with increasing German sovereignty. He cited the fact that after the war it had been rather easy to establish facilities in Germany since it was an occupied area with large military establishments and that we were able to stock supplies, equipment, etc. for other European stations. Mr. Wisner assured Mellenthin that the German mission would eventually consist of a much smaller percentage of personnel than it does now. No evidence of its present size was given.

Mellenthin then brought up the difficulties envisaged in the future relationship between the GIS and the western services, and that although the German organization had worked closely with the Americans since 1946 and desired to continue to do so it would be difficult. He stated Zipper's intention of maintaining overt liaison in Bonn which would include the Americans but that they also wanted to continue working with the CIA staff in Munich or the Munich area but that arrangements for this would be difficult to achieve.

Mellenthin then raised the question of General Smith's reaction to Gehlen's proposal for the Middle East and his request for more operational details and asked what more exactly we wanted. Mr. Wisner replied that this was a very specific question and deserved a precise answer. Therefore, he proposed that we furnish Zipper a paper in which our requirements would be stated in detail. Mellenthin agreed to this. Mr. Wisner then went on to say that the Gehlen proposal required a large sum of money from us and that it would be ridiculous for us to be paying an agent and then find out that this same agent was also receiving our money via the Germans. He further cited the dangers of false confirmation, fabrication, etc. Mr. Wisner also said that a few weeks ago he might have stated that the Germans had excellent opportunities in the Middle East but that he wasn't so sure now in light of recent developments. (Implied here was the Arab reaction to Germany's proposal to pay reparations to Israel). Mr. Wisner continued by saying that he had been in the Middle East during the war and had the opportunity of observing GIS activities in that area. General Mellenthin agreed that Zipper had political capital in the area. He further stated that General Gehlen feels that the names of sources he may utilize in the Middle East are particularly sensitive and he did not know what could be worked out. Mr. Wisner commented that it might be difficult for the Germans to accept our requirements but that we should at least agree to disagree. — *in amicably and in a clear cut manner.*

Mellenthin's next major question concerned the dispersal and decentralisation of CIA offices in Washington and the United States. Mr. Wisner pointed out that our dispersal was not so much by design but rather the shortage of building space. Mellenthin then asked whether we did not think this was a good idea. Mr. Wisner replied that over decentralization and distribution of activities was not good although some compartmentalization was quite necessary. Mellenthin was of the opinion that the GIS headquarters should be decentralized.

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Mellenthin then inquired as to the type of cover CIA used in the United States. Mr. Wisner replied that for many of our activities no cover was needed. He cited the existence of our foreign broadcast intercept service which merely recorded overt foreign broadcasts. Mr. Wisner did state that we made use of military cover, perhaps not as much as we should, but that we had found this most suitable and this was particularly important for covering training activities. Mellenthin stated that he was personally concerned about cover for the CIS in the future and was very glad that Mr. Wisner had made the point of military cover for training activities.

At approximately 1740 hours Mellenthin stated that he had no more questions, that he was most pleased with this opportunity to discuss matters with Mr. Wisner and that he had found it most helpful to him. He again expressed thanks for the opportunity of visiting the United States and particularly for the reception in Washington. The meeting thus ended on a most cordial note and Mr. Wisner drove Mellenthin, Wendland and Major Schardt to the Willard Hotel.

D. Huefner

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(Policy) —
Briefing for Ambassador
28 January 1953
Consult.

THE GEHLEN ORGANIZATION

- I. History of the Gehlen Organization: Late in 1944, Major General Reinhard Gehlen, Chief of Intelligence of the German Foreign Armies East (those forces engaged in military operations against the USSR), and several close associates decided to surrender their intelligence group to the U. S. Army in the event that the German Army met defeat. Their motivation was primarily that of preserving their extensive knowledge of the USSR for utilization against Soviet Communism which they considered the major threat against Western civilization. In preparation for this eventuality Gehlen contrived to move his personnel and intelligence files into southwest Germany and toward the end of May 1945 surrendered to the U. S. Army. Subsequently Gehlen and senior intelligence officers of his group were transferred to Washington, where as POW's their knowledge and files on the USSR were exploited by C-2, War Department. During 1946, the Gehlen group was returned to Germany and given the mission by C-2 USFET of gathering intelligence information on the Satellite countries and USSR. After assessing its operations over a period of several years and at the request of the Army, CIA took over control of the Gehlen Organization in July 1949. CIA has continued this control in the form of a trusteeship to date.
- II. Structure of the Gehlen Organization: The main headquarters of the Gehlen Organization consisting of about four-hundred staff members is located near Munich, Germany. This comprises the top administrative and operational staffs as well as the evaluation group which has remained intact from WW II. Scattered throughout West Germany and West Berlin there are almost eighty field operations bases totalling some 800 staff members. In addition, agent personnel including informants numbering about 1,200 are located in Soviet-dominated areas, mainly East Germany.
- III. Operations of the Gehlen Organization: The forte of the Gehlen Organization has been in the field of Soviet OB, which has been a logical extension of its WW II mission. The Organization has almost complete coverage of the Soviet Army and Air Force in East Germany. To a lesser extent similar coverage is maintained in Czechoslovakia, Poland, Hungary and the Soviet Zone of Austria. The Gehlen Organization has also been active in the interrogation field, especially POW's returning from the USSR as well as refugees from the Satellite countries. In addition the Organization has developed a large counter-intelligence and counterespionage staff for the protection of its operations. It has been given a limited stay-behind mission by CIA.

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IV. Gehlen Organisation Relations With the Federal German Government: As trustee of the Gehlen Organisation, CIA has fostered its aspirations to be the central, national intelligence service of a sovereign German Federal Republic. In June 1952, Chancellor Adenauer gave his personal assurances to CIA representatives that the Gehlen Organisation would be taken over by the West German Government. Adenauer has designated his lieutenant and the Organisation's most influential sponsor, Dr. Hans Globke, Internal Affairs Chief in the Federal Chancellery, to handle its transfer and integration into the Government following ratification of the Contractuals. Adenauer has officially briefed Theodor Blank, future Defense Minister, and Finance Minister Fritz Schaeffer on his plans to subordinate the Organisation to the Federal Chancellery. He has deferred briefing other members of the Cabinet and the Bundestag Committee pending ratification.

Meanwhile General Gehlen and his staff have briefed Blank, Otto John, head of the Bundes amt fuer Verfassungsschutz; Erich Ollenhauer, SPD chairman; and other CDU and SPD leaders. Gehlen believes he has SPD support. The Gehlen Organisation now has a fairly good working relationship with the Bundes amt fuer Verfassungsschutz. Further, in recognition of its semi-official status, the Federal Interior Ministry agreed in December 1952 to cooperate with the Organisation in the solution of jurisdictional problems arising between it and various German security authorities.

The opposition is centered in the competitor Heinz group, a G-2 nucleus, in the Blank Office. Others in the periphery of Bonn Government circles have consistently maintained that the Gehlen Organisation, a group skilled in post-war collection and evaluation of Soviet OB and dominated by former General Staff officers, is defacto the German G-2, not a national intelligence service. In recent months, some of its adversaries have seized upon a rumor, originally attributed to [redacted] EDC delegates, that it should become the KDF - G-2. The Organisation is already well-represented on the German EDC interim delegation in Paris.

Presumably with the knowledge of Dr. Hans Globke, the Gehlen Organisation has maintained unofficial, periodic liaison with the [redacted] since 1947-48. General Gehlen also maintains close personal contact with [redacted] intelligence representatives. At the request of the [redacted], CIA has persuaded Gehlen to establish a Bonn liaison office and steps are now being taken to initiate [redacted] liaison with the Organisation.

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EGLA- 2617

Chief, EE

6 March 1953

Chief of Base, Pullach (_____)

Operational

A Week in Pullach

1. I spent the week 16-20 February at Pullach. During this period I had lunches with MATZKE, MERKER, OHEIMB and WOLLMANN and office visits with UTILITY, VIERNSEN, SCHUMANN, WALTER, MOELLER and HERDAHL. I also met GERSDORFF, the newly appointed ZIPPER liaison man to the _____, and had numerous discussions with _____ and other members of the POB staff.

2. All the items of incidental intelligence and operational interest picked up in the course of my talks with the Germans have been passed along to _____, who is reporting them under their appropriate headings and against the proper background. The main purpose of the visit was to serve the continuity of the valuable contacts I had made during my tour at POB. In this, as, indeed, in every other respect, the results of the visit were most gratifying. The program will be continued about a month from now in a visit to Heidelberg, Frankfurt and Bonn, in the course of which I shall see LEHMANN, DETHMERSSEN, BONIN, WESTPHAL, MATERN, GROHMANN, KLEYSEN and RADTKE.

3. The most substantial discussion in this series of meetings took place with Merker. It was essentially a continuation of the discussions of the POB-ZIPPER liaison complex begun during my visit to Pullach just before Christmas, and was given a special timeliness by remarks made to _____ by Utility the day before my lunch with Merker, which _____ had interpreted as a rather ill-tempered rejection of the opposite number system -- past, present and future. Utility had been speaking specifically of ABE-GIS liaison structure for the War Plan, but his observations seemed to have a general application.

4. Utility's irritability was not reflected in Merker's attitude. His position, indeed, was quite different from the one he had taken at Christmas, probably because on that occasion he had been disturbed by one or two local frictions which were current at the moment and because there were, at that time, several Americans on the staff whom he had not met and whose names he did not know. This time he was more inclined to view the problem from a larger perspective, and his views were, on the whole, very similar to those held by Waller and the senior staff officers of POB.

5. As Merker sees it, the major objection the ZIPPER leadership have had in times past to the opposite number system was that it tended, in practice to take operational leadership out of their hands. Merker stated frankly that there have been times when the ZIPPER leadership have felt that their only function was to handle flaps, and that it was only in time of trouble or

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crisis that they were consulted by their subordinates and gained any insight into what was going on. He also admitted that this had been largely ZIPPER's own fault, that Utility's preoccupation with the political scene in Bonn and his failure to provide for continuing operational leadership in his absence had left the American staff with no choice but to take over. That Merker now admits this so freely is undoubtedly attributable to the fact that such leadership does now exist in his own person. Indeed, the outstanding impression of this visit has been that of Merker's real leadership of ZIPPER. He is running the show, and his operational authority is both respected and welcomed. As he says, it has taken him about a year to catch up with the operational and administrative sides, but he now feels competent to take over and, consequently, no longer feels seriously threatened by the opposite numbers.

6. The opposite number system in operation, as Merker sees it, should provide for an AIS advisory functions arrangements for assistance and support of various types, exchange of information, coordination or separation of AIS and GIS operations and, as long as US funds are involved, making available to the American opposite number such insight into operations as is appropriate and required for arriving at budget estimates and a proper accounting of sums expended. He feels that this system, with the exceptions noted in the preceding paragraph has worked well in the past, that it was absolutely necessary and that the

German organization has gained and learned from it. We may expect in the future, however, that he will be insistent on keeping the prerogatives of policy decisions and overall operational direction from again slipping out of the hands of the ZIPPER leadership.

7. As to the future, MERKER would like to see the opposite number system continue, even after ratification and the assumption by the German Government of financial responsibility. This would be confined to the AIS and, in the ultimate phases, would have to be conducted clandestinely, since the AIS should not and could not, from the German point of view, be so conspicuously favored. At the moment he is thinking in terms of a "Treffpunkt" in the Munich area, where GIS and AIS case officers could meet to discuss mutual problems and exchange mutually useful information.

8. In this connection, I should mention the very strong emphasis that both Merker and Utility give to the personal side of this question. I am convinced that they will never liaise or authorize liaison on the basis of the opposite number's title, rank and designation alone. Future GIS-AIS liaison will be based solely on the degree to which the GIS leadership has confidence in the AIS individuals involved. In view of this, I think that serious thought should be given NOW to the possibility of keeping together those members of the POB staff who have, over the past few years, established close and fruitful personal and operational relationships with members of the ZIPPER staff. This will ensure not only a continuity of profitable liaison but will also effectively prevent the erection of a wall around themselves by the Germans, should they decide that this was in their interests. As personal relations now stand between the two staffs, this would be impossible. Where the departure or transfer of these key POB personnel is unavoidable, the selection of replacements should be undertaken with the utmost care and in close consultation with POB veterans who know exactly what the Germans look for in an AIS opposite number,

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9. In conclusion, I should wish to add only that I have never seen the ZIPPER/POB relationship as close and harmonious as it seems to be today. And I think, it would be well to recognize that in men like MATZKY, WOLLMANN, and MURKIN not to mention scores of men on the second and third levels, we have created a reservoir of good friends whose value, present and future, should not be underestimated.

Comments:

1. Several years ago, in January 1951 as I remember, I put my assessment of Utility down on paper. Personally, I have noted little that has happened since then that alters my view. Particularly during the past six months other members of POB and I have had numerous "off-the-record" conversations with members of Utility's staff who have observed him for many years and the POB/ZIPPER relationship for the past four years. Many of these Zipporites feel that Utility has changed somewhat under the pressure of political influences from Bonn; they claim that he has lost contact with the organization; they speak sympathetically but still critically of his tendency to think only in terms of the present and future, ignoring the past; they give him little credit for Zipper's professional accomplishments but concede he has handled his politics well; apparently many of them feel uncomfortably guilty as they share in Utility's maneuvering designed to minimize American insight and influence in ZIPPER.

2. The fact that Utility did not have a competent deputy from 1949-52 was major issue between us. By default the coordination of the various sections of Zipper took place more and more within the American staff. This was fully recognized by most of the Zipper staff. Merker is the only member of Zipper, other than Utility, who has established full authority. His day to day influence with Zipper now exceeds that of Utility back in the days when Utility was not so preoccupied with affairs at Bonn. Leadership of Zipper very properly and unquestionably now resides in the joint Utility/Merker office across the street.

3. Utility is not informed on what has transpired at the "opposite number" level during the past few years. He does not know what benefits Zipper has achieved by this association; more important to us, he is not aware of the vast amount of material passed "unofficially" or "on LOAN" to the POB staff. More than anything else he is smarting under repeated charges in Bonn that Zipper is an "Ami Lad"...i.e., an American Shop,

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4. In spite of all the above, Utility is, on major issues, solidly committed to KUBARK and, year in and year out, a man with whom we conduct our affairs in a satisfactory manner.

5. Re para 8 above, Utility has, on numerous occasions, emphasized the importance he attaches to personal relationships in future KUBARK/ZIPPER relations.

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STANDARD FORM NO. 64
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Office Memorandum • UNITED STATES GOVERNMENT

TO : ██████████, Chief, EE/FI/G
FROM : ██████████ EE/FI/G
SUBJECT: ZIPPER Agreement

DATE: 11 March 1953

1. In the Secret Memoranda of Understanding implementing the overt contractual agreements, the German government has agreed to:
 - a. Afford to the authorities of the Forces a 21-day exclusive right of interrogation of security arrestees, who shall be detained, upon request of the Forces, in a place other than a German prison. If the arrestee is non-German, the Forces have a 21-day right of custody.
 - b. Notify the Forces of the apprehension of persons apparently employed by Forces intelligence or security services, and, in mutual agreement, to deliver such persons, with all materials and documents in their possession, to the Forces.
 - c. Notify, and in certain cases deliver to, the Forces, Soviet and Satellite defectors and deserters, line-crossers, former PWs, refugees and other repatriates.
 - d. Exchange with the Forces any useful information pertaining to their separate or mutual security.
 - e. Cooperate in any monitoring of postal and telecommunications, if and when German legislation permits such monitoring.
 - f. Provide documentation needed by Forces I & S services on request (BfV).
 - g. Grant unrestricted entry and exit to our I & S employees re German borders.
 - h. Not interfere with our right to contract with German nationals.
 - i. Consider our views in cases of expulsion, extradition, blacklisting, etc.
 - j. Prevent prejudice to persons cooperating with us.
2. Any understanding reached with Gehlen with reference to the relations between ZIPPER and AIS must not be permitted to derogate from the AIS powers implicitly agreed to in these memoranda. It should also be born in mind that the memoranda were ~~not~~ intended to have effect until modified by a peace treaty or sooner mutual agreement. The memoranda were negotiated without regard for

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the contingency of the establishment of a German intelligence service other than the BfV. Consequently the SOP's pertaining to the memoranda deal only with liaison with the BfV. Gehlen should be required personally to acknowledge the validity of the principles stated in the memoranda and to undertake to honor them whenever his service might have occurrence to.

3. It is consequently recommended that Gehlen's concrete proposals be examined in the light of the secret memoranda and that any such proposals found to be inconsistent with the principles of the memoranda be rejected for that reason. It is further recommended that Gehlen explicitly agree to the proposition implicitly in the memoranda that, irrespective of the particular phase, the AIS is not obliged to curtail any of its activities provided for in the memoranda simply because there has been an increase in GIS operations with respect to such activities.




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8 April 1953

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Brief for Conversation with Chancellor Adenauer

1. The discussion might well be led off by referring to the secret memoranda drafted by the Federal Republic and the High Commission, which are to be exchanged after negotiation of Contractual Agreements to assure continued smooth operation of allied intelligence in Germany with a minimum of German interference. (Attached is a precis giving more details on the secret memoranda.)

2. The first major problem which should be discussed with Dr. Adenauer concerns the Gehlen organization and the importance we attach not only to the Gehlen organization's take-over by the German Government, but also the importance of CIA's being regarded as "a favorite service" by the future GIS. In line with this, the following background is furnished:

a. Since May 1945, the United States has held the Gehlen organization (ZIPPER) in trusteeship in anticipation of transferring this intelligence group to a sovereign German Government. As trustee, the United States has subsidized the organization at an estimated cost of \$25,000,000. CIA has provided professional guidance, furnished equipment and information to the organization for the purpose of developing it to its present professional competence. Therefore, after eight years of U. S. trusteeship, CIA expects a preferential position with the Gehlen organization permitting continuation of the present relationship, which has been mutually beneficial to both services, following its transfer to the German Federal Republic.

b. The Senior Representative in Germany has suggested that Chancellor Adenauer, Ambassador Conant and their appropriate intelligence representatives could work out details of the transfer of the Gehlen organization from CIA trusteeship to the Federal Republic and of the future CIA/German intelligence relationship in Germany.

3. The second point specifically to be discussed with Dr. Adenauer is the establishment of a point of contact in the government to discuss and negotiate cold-war activities. This matter was raised once before through Ambassador Donnelly, and Dr. Globke was appointed as the

coordinator for

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coordinator for these matters. There is a possibility that a misunderstanding arose either in the mind of Ambassador Donnelly or Dr. Adenauer on this contact point, as Dr. Globke to date has been only the contact point for intelligence matters and matters concerning the Gehlen organization, and seems to be ill-equipped and badly placed within the government to discuss problems concerning cold-war operations. Therefore, it would be desirable to refer once more to our request transmitted previously through Ambassador Donnelly, and to spell out in some detail the difference between cold-war activities and intelligence activities.

[REDACTED]

JOHN A. BROSS
Chief, Eastern European Division

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The contractual agreements negotiated on an executive level by the German Federal Republic and the Governments of the U.S., the U.K. and France involve an acknowledgment by the Germans that the Three Powers will continue intelligence operations in Germany after the contracts take effect. One provision (Art. 4) of the overt Forces Convention contains a mutual pledge of "full cooperation and assistance to each other to further and safeguard the security" of Fedrep or any of the Powers, extending, "in accordance with an understanding to be reached between the appropriate authorities, to the collection, exchange and protection of the security of all pertinent information." The "understanding" is in the form of secret memoranda already agreed, but not to be executed until after the overt agreements take effect. They spell out mutual rights and obligations with reference to various aspects of intelligence operations: protection of agents and informants from criminal prosecution as such; blacklisting of persons for travel purposes; handling of security offenders, defectors, deserters, line-crossers, et al.; intelligence interests in expulsions and extraditions; protection of intelligence interests from compromise in judicial proceedings; entry and exit of intelligence personnel; documentation; technical surveillance; protection of extraterritoriality of Allied property, installations, mail, et al.; exchange of information and the security thereof; and the right freely to contract with Germans of special intelligence interest.

None of the provisions of the secret memoranda is enforceable, of course. Many of the mutual undertakings are vague, such as "the Federal Republic will strive to ensure" or "the Federal Government will use its good offices to ensure," etc. This is because certain powers inhere in the Laender, and certain others are in the independent judiciary. For these reasons, plus the difficulty of detecting violations of commitments, successful cooperation will depend more upon mutual good faith in the working arrangements indicated than upon the literal provisions of the agreements.

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MEMORANDUM

4 May 1953

TO : FI/Plans

SUBJECT: US/Federal German Government Agreement on
ZIPPER

1. General Truscott and Mr. Critchfield are to visit headquarters about 16 May 1953. One of the subjects to be discussed will be the agreement which will be negotiated concerning ZIPPER and its transfer to the German Government. Because of the wide area of ZIPPER activities the views of CIA components likely to be affected by the creation of the official German Intelligence Service are being sought. To this end the attached working papers have been sent to the desks concerned. The recipients are listed in the upper right hand corner of the first page of each.

2. The dittoed cover sheet accompanied each paper. Where particular comments were desired they were asked for. The entire collection is sent to you for your information and comment. You will note that the first two items were sent to FI/OPS only. Soviet Zone collection is basic to the entire ZIPPER operation and policy regarding it is an Agency matter for discussion in the light of overall considerations. The paper on Satellite operations has not been sent to the individual desks concerned because it was felt that a uniform general policy statement from the staff level was required. Your views and comments on the proper content of paragraph 9 will be appreciated.

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Three pages for
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Memorandum:

4 May 1953

To: PI/Plans

From: EE/FIG/ZIPPER

Subject: U. S./German Federal Republic Agreement
on ZIPPER

1. In anticipation of transferring Zipper from CIA trusteeship to the German Federal Republic, following German ratification of the Contractual Agreements, EE is drafting the proposed text of an official agreement to be negotiated by representatives of the West German and U. S. Governments. It is felt that the transfer of Zipper, which has been subsidized by the U. S. for the past six years, will be an opportunity for the Agency to negotiate for prerogatives not guaranteed in the Secret Memoranda of Understanding (Intelligence Agreement between the Allied Powers and the West German Government) and to present its claims to a favored position with the future GIS.

2. Attached is a brief outline of a Zipper activity of particular interest to CIA which might be considered in negotiating the proposed agreement. For your information, Lt. General Truscott, Senior Representative in Germany, and Mr. Critchfield, CIA representative with Zipper, will be in headquarters for conferences on the Zipper transfer about 16 May 1953.

3. It is requested that you review the attached outline inserting your comments, criticisms and a complete statement of your specific requirements and policy recommendations. Please return the completed outline to EE/FIG/Zipper not later than 10 May 1953.

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ZIPPER SOVIET ZONE OF GERMANY COLLECTION

1. Background: ZIPPER's primary target has been the Soviet Military Establishment, its capabilities and intentions, in Soviet-occupied Germany since 1946. This target was assigned by the U. S. Army when it assumed custody of the organization. In the past seven years, relying heavily upon former German Army personnel residing in the Soviet Zone, ZIPPER has developed collection nets which now extend throughout Eastern Germany. Today the Soviet Zone is ZIPPER's outstanding capability. About 1,000 East Zone Germans are involved in this collection effort. ZIPPER's main target is still military, but they also produce intelligence on political, economic and CI/CE targets. ZIPPER also has established an early warning net to report Soviet military moves possibly indicating hostile intentions.
2. Current ZIPPER Assets: In addition to an extensive observer and penetration network now in operation, ZIPPER is developing and training some 80 W/T operators. Approximately 30 of ZIPPER's W/T operators are already in place and while they are being tied into active sources, they will remain dormant until an emergency situation arises. Included among ZIPPER's assets are its experienced field staffs which are in a superior position to recruit and handle German nationals. ZIPPER's sifting and evaluation staffs are composed of recognized experts skilled in the post-war study and analysis of Soviet Order of Battle.
3. Current Level of CIA Support: CIA's major contribution to ZIPPER's Soviet Zone coverage has been financial support. However, CIA has also provided considerable operational, technical and logistic assistance. The Agency has also endeavored by comprehensive name tracing to protect the security of ZIPPER's clandestine operations.
4. Current CIA Take: CIA receives the total product, about 6,000 processed reports per annum, plus valuable monthly OB summaries and special studies, from ZIPPER's Soviet Zone coverage. Although CIA is informed of the location and number of active ZIPPER agents in the Soviet Zone, it has not pressed ZIPPER for detailed personalia on this large, complex collecting apparatus.
5. ZIPPER Potential: ZIPPER's great potential in the Soviet Zone derives from the strong national ties between East and West Germans, the common border and national interests.
6. CIA Future Interests: U. S. interest in the Soviet Zone of Germany will continue for the foreseeable future.

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7. ZIPPER Statement of Future Concessions to CIA: General Gehlen, the ZIPPER Chief, has assured the DCI, in writing, that the entire Soviet Bloc production will be made available to CIA following ZIPPER's legalization as the GIS.
8. Extent of CIA Reciprocal Concessions: No formal commitments have been made to date, but CIA has indicated that it is prepared to continue the subsidy of this activity until the GFR assumes the entire financing of ZIPPER. In view of the fact that most of the ZIPPER Soviet Zone operations are channeled through West Berlin, CIA may be asked to continue certain operational and executive support activities until ZIPPER is able to make its own arrangements. Present support includes: U. S. courier and air passenger service; West Berlin legalization assistance; cover; intervention with U. S. and Allied Agencies and the various West Berlin Authorities.
9. Policy Statement for Inclusion in the Proposed U. S./GFR Agreement:

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ZIPPER - USSR

1. Background: Included in the charter given ZIPPER by the Army in 1946 was the general mission "collection of information on USSR". They have attempted to meet this requirement through interrogation of repatriated POWs; correspondence with German scientists within the USSR; study of collected mail and documents from USSR, and study of their extensive German Army files. A number of embryonic plans for trans-satellite agent commitments never reached maturity, and the implementation of proposals for Baltic state and USSR operations using emigre groups either failed to develop or were discouraged by CIA due to overextension intelligence-wise of the groups concerned (NTS), or western agent saturation of the target country, (Latvia, Lithuania). At the present time ZIPPER has no planned or active operations involving the USSR itself, and has withdrawn, at least temporarily, from operations into the Baltic states.
2. Current ZIPPER Assets This Activity: Current assets are limited mainly to a favorable position in the interrogation of repatriates including German scientists, extensive wartime files, material derived from Sovzone OB and document collection, and a qualified staff. ZIPPER has also been engaged in Baltic Sea operations involving the debriefing of German and Scandinavian Merchant Marine personnel. Good connections for possible future use are maintained with USSR emigre groups, (NTS, SBONR and emigre Estonians). ZIPPER now furnishes legends from current and wartime Soviet OB files, for support of [redacted] operations.
3. Current Level of CIA Support: Since no USSR operations are active or planned, CIA finances only one Soviet document collection effort and the ZIPPER USSR staff.
4. Current CIA Take: CIA receives the product of ZIPPER interrogations, OB collection, file and document study.
5. ZIPPER Potential This Activity: ZIPPER's greatest potential appears to lie in the following fields:
 - (1) Exploitation of German groups having contact with USSR.
 - (2) Approaches through East-German officials.
 - (3) Approaches via illegal East-West trade.
 - (4) Exploitation of leads from German scientists in USSR.

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- (5) Exploitation of German groups within USSR.
- (6) Exploitation of national groups with pro-German sympathies (Balts, Armenians, etc.)
- 6. CIA Future Interest: Information of USSR continues to be the primary CIA objective.
- 7. ZIPPER Statement of Future Concessions to CIA: The statement of General Gehlen, ZIPPER Chief, in writing, to DCI that CIA will continue to receive the East-bloc take after ZIPPER legalization as the GIS is the only formal commitment on record.
- 8. Statement of Policy for inclusion in U.S./OFR Agreement: Attached is a previous statement of policy on ZIPPER operations into the USSR prepared by SR. This was never formally coordinated with the CIA field base responsible for ZIPPER. Comments on the continuing applicability of this policy are desired in light of the fact that ZIPPER, when it becomes autonomous, will attempt to exploit whatever assets it believes it possesses.

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AIS Policy on ZIPPER Operations into the USSR

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1. It is the policy of the AIS to support Zipper intelligence operations into the USSR as part of a coordinated Western effort to develop adequate coverage of USSR strategic capabilities and intentions.
2. On the basis of the past five years' experience and the progress of Western operations into the USSR thus far, it is considered operationally desirable and feasible that Zipper engage in the following categories of USSR operations:
 - a. Recruitment and operation of East German personnel who visit or reside temporarily in the USSR.
 - b. Development of in/and exfiltration capabilities in eastern Turkey and north Iran.
 - c. Cross-border operations out of [REDACTED].
 - d. - - - - -
 - e. Singleton or doubleton resident agent operations into RSFSR.
 - f. Establishment of communications base in Kaliningrad oblast.

Note: Operations into the Baltic Republics in general are at present undesirable for the following reasons:

- a. Present Western operational assets in the Baltic Republics are relatively extensive and hold promise of producing the intelligence coverage in this area required by the West.
- b. Additional operations into this area will inevitably affect the security of Western agents and groups currently in place.
- c. On basis of AIS and Zipper experience possible Baltic recruitment pool in Germany is virtually non-existent.
- d. Zipper use of sea-dispatch into this area would almost inevitably involve a bipartite [REDACTED]-Zipper arrangement.*

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AIS Responsibilities

3. AIS will provide the following types of operations support to Zipper:
 - a. Air-dispatch support for operations into the RSFSR.
 - b. Required maritime equipment for sea-dispatch operations into Poland for penetration of Kaliningrad oblast.
 - c. Provision of communications equipment, specific documentation, and specialized operational equipment.
 - d. Training materials and techniques specially adapted to the preparation of agents for USSR operations, i.e. tradecraft, "Sovietization" lectures, etc.
4. AIS will provide the following types of operational intelligence support to Zipper:
 - a. All-Union studies maintained on current basis on internal controls, documentation, borders, postal communications, etc.
 - b. City and area data covering local controls, postwar reconstruction, employment possibilities, etc.
 - c. USSR documents in both photostat and original form.
5. AIS will disseminate to Zipper positive intelligence on the USSR produced by current AIS operations.

Zipper Responsibilities

6. Zipper will:
 - a. Coordinate with AIS specific penetration plans for operations involving AIS support.
 - b. Furnish to AIS all operational and documentation intelligence obtained on the USSR.
 - c. Disseminate to AIS positive intelligence procured from all USSR operations.

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Mechanism for Implementation

7. Alternatives:

- a. Establishment of [REDACTED] liaison unit in POB to handle all USSR operational support and coordination with [REDACTED].
- b. Establishment of Zipper/[REDACTED] plans, operations, and training unit to which will be attached competent AIS [REDACTED] unit to administer the support and coordination agreed upon and to provide the Zipper/[REDACTED] unit with accumulated AIS experience in all aspects of post-war intra-USSR operations.
- c. Establishment of a joint AIS-Zipper-[REDACTED] operations unit to conduct deep penetration operations into the USSR involving sea and air-dispatch.

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ZIPPER [REDACTED]

1. **Background:** When ZIPPER became active as an intelligence collection group under Army subsidy in 1946, the subject of Soviet defector/deserters was not discussed. Until the summer of 1950, ZIPPER had no separate apparatus for dealing with the problem, and contact to deserters was limited to those located by ZIPPER interrogators. With increased CIA interest in the [REDACTED] field, it was felt that ZIPPER could make a substantial contribution, and ZIPPER was accordingly brought into the defection/desertion program. Since that time the questions of interrogation, exploitation and disposal have been points of controversy between CIA and ZIPPER and are still matters of negotiation.
2. **Current ZIPPER Assets This Activity:** ZIPPER has a present some 8 partially developed [REDACTED] leads, an additional 20 in an embryonic stage, and one active defection-in-place. Staff-wise, ZIPPER headquarters has a separate and qualified staff section dealing exclusively with the subject. In the field, ZIPPER is recruiting and building [REDACTED] teams in Berlin and Vienna. All sub-agencies of ZIPPER have been briefed on [REDACTED] and it has been made a priority on their target list. While progress has been disappointing up until now, the many sources of ZIPPER in the SovZone of Germany should be in a good position to supply numerous [REDACTED] leads.
3. **Current Level of CIA Support:** CIA support of ZIPPER [REDACTED] includes: subsidy of [REDACTED] effort; bonuses for successful defections/desertions; operational information compatible with security; leads which CIA is unable to develop; access to ZIPPER-induced defectors at DMC and assistance with disposal.
4. **Current CIA Take:** At this time CIA receives all material produced from the ZIPPER defection-in-place. Names, personalia and rather meager operational information are received on prospective [REDACTED] candidates.
5. **ZIPPER Potential This Activity:** Proximity to the target is the main ZIPPER asset in the [REDACTED] field. Continued occupation of Berlin and the Soviet Zone of Germany by the Soviets should provide ZIPPER with contact possibilities.
6. **CIA Future Interests:** The ZIPPER effort will continue to complement CIA activity in the [REDACTED] field.
7. **ZIPPER Statement of Future Concessions to CIA:** While no formal future commitments are on record, ZIPPER agrees at present to turn over all non-exploitable defector/deserters to [REDACTED]. The

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assumption that most such individuals will desire asylum outside of Europe seems to assure CIA continued participation. Information resulting from defectors-in-place falls within the scope of ZIPPER Chief's promise that CIA will continue to receive all East-bloc product.

8. Extent of CIA Reciprocal Concessions: No formal concessions covering the post-CIA period have been made. However, in return for closer cooperation the present level of support outlined in para. 3 above, possibly excepting direct financial support, should be continued. A CIA case officer might be provided to ZIPPER/[redacted] in Berlin and in Vienna to give on the spot logistic and other support. Under the terms of the secret memorandum, the GFR is to notify, and in certain cases, deliver to, the Forces, Soviet and Satellite defectors and deserters. In return, the GFR desires access to all defectors induced by the Allies, after interrogation. It is estimated that ZIPPER will probably be the agency of the Germans by which they will be allowed access to these defectors and deserters while they are still in Allied custody when security considerations do not preclude such access.
9. Policy Statement for Inclusion in the Proposed U. S./German Federal Republic Agreement:

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NON-SOVIET BLOC: MIDDLE EAST

1. Background: ZIPPER interest in the Middle East dates from 1946 when the organization was under the jurisdiction of the U. S. Army. Although we have been aware of ZIPPER assets in this area since the CIA takeover in July of 1949, we neither sanctioned nor encouraged ZIPPER activities outside of the Soviet orbit until January 1952 when we offered to support the expansion of ZIPPER's collection efforts in the Moslem World. After several months of stalling, General Gehlen finally submitted a plan in which he stipulated that ZIPPER retain sole direction and knowledge of its operations which the U. S. would finance in exchange for ZIPPER's production pending transfer of the organization to the West German Government. On 12 November 1952, in a conference with General von Mellenthin, Gehlen's deputy, General Smith explained CIA's reaction to Gehlen's proposal in terms of U. S. investment and the Agency's requirements with specific reference to true source data. Gehlen has never acknowledged our official answer to his plan. But, von Mellenthin reviewed CIA proposals, in detail, with CIA representatives in Germany on 6 February 1953.
2. ZIPPER's Current Assets: In addition to remnants of the wartime GIS, ZIPPER has influential connections in the quasi-official German military, technical, and commercial missions in Egypt, Syria and Pakistan and long-range potential in Iran, Afghanistan, Turkey and South Africa.
3. Current Level of CIA Support: The ZIPPER NEA planning staff is, presumably, being paid from the CIA FY '53 subsidy. There is circumstantial evidence that ZIPPER may be receiving some monies from the Federal Chancellor for the Middle East effort.
4. Current CIA Take: None other than occasional, raw, semi-overt reports of marginal interest.
5. ZIPPER Potential: ZIPPER has resources in professional GIS operatives, who have devoted their careers to the Middle East, plus well-established connections in post-war positions which German nationals have acquired with the loss of [redacted] prestige.
6. CIA Future Interests: In December 1952, Gehlen was informed of our interest in close coordination of ZIPPER/CIA collection efforts in the Middle East. The Agency is interested in ZIPPER's entire production from this area.

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- 7. ZIPPER Statement of Future Concessions to CIA: No commitments have been made for the period following ZIPPER's transfer to the Federal Republic.
8. Extent of CIA Reciprocal Concessions: Provided that ZIPPER agrees to paragraph 6 (above): Is NEA prepared to participate in joint operations, exchange information (i.e. intelligence as well as operational support data), provide support (financial, materiel)?
9. Policy Statement for Inclusion in the Proposed U. S./German Federal Republic Agreement: Inasmuch as it is to our mutual advantage to achieve maximum exploitation and coverage of Soviet intentions and capabilities in areas outside of the Soviet Bloc, a close working relationship permitting coordination of targets, exchange of information and mutual assistance is desired to obtain our common goal.

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ZIPPER CI/CE OPERATIONS

1. Background: Until the CIA takeover, ZIPPER's CI-CE effort was largely unmonitored, as ZIPPER had not received permission to develop CE cases or exploit their internal security assets in Western Germany. In 1950, CIA agreed that ZIPPER should run operations designed to penetrate unfriendly intelligence services. At this time, ZIPPER claimed that their investigative teams in Western Germany would eventually be turned over to the BfV. Since then, there has been no definite delineation of overall responsibility between ZIPPER and the BfV in the CI-CE field.
2. Current Assets: ZIPPER's CI-CE Staff is generally regarded as competent. Their field agencies contain many experienced investigators and counter intelligence officers who have excellent professional reputations as a result of their wartime activities. Despite these assets, ZIPPER's success in the CE field, to our knowledge, has not been very outstanding. Of 17 CE cases currently considered active, only two are of unusual interest. One of these was turned over to ZIPPER by CIC.
3. Current CIA Support: In addition to financial support, CIA provides operational support including name traces and occasional studies of a CE nature. Technical equipment for CI/CE operations has also been supplied. Through CIA efforts, ZIPPER's operational security has improved immeasurably since 1949. CIA has offered to give polygraph training and polygraph machines to selected ZIPPER members.
4. Current CIA Take: CIA receives progress reports on presumably all of ZIPPER's CE cases. ZIPPER also submits regular reports and studies on other matters of CI-CE interest.
5. ZIPPER Potential: As the official GIS, ZIPPER will be in a position to exploit CE leads in Germany which have been handled previously by the BfV or the US, [redacted] or [redacted]. To date, ZIPPER's approach in the CE field has been haphazard, and ZIPPER's potential in this field, long apparent, has never been developed. Possibly ZIPPER CE effort will be more successful after it receives official recognition, and has regularized police support.
6. CIA Future Interests: No definite statements have been made pending clarification of ZIPPER's exact role in the CI/CE field after ZIPPER becomes the GIS. CIA will continue to be interested in exchange of information of security interest. The charter of the GIS in this field will limit CIA specific interest.

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7. ZIPPER Statement of Future Concessions: ZIPPER has stated that name traces and black lists will continue to be exchanged, and that the OIS will desire close cooperation with CIA in the CE field. ZIPPER has requested that CIA make available buildup material to be used in CE cases involving US installations in Germany. This apparently indicates that CIA will continue to be kept informed on all matters affecting the security of US installations in Germany. ZIPPER has also asked that CE cases handled by CIA be coordinated with the OIS, especially with regards to the use of buildup material.
8. Extent of CIA Concessions: No definite statements have been made. Consideration should be given to turning over to the OIS exploitable CE leads and initiating joint operations with the OIS based on such leads. On a quid pro quo basis, technical equipment and training should continue to be provided. Briefs, EtI's, name traces and other operational support data ought to be interchanged.
9. Policy Statement for Inclusion in the Proposed U. S./German Federal Republic Agreement:

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ZIPPER TECHNICAL SUPPORT

1. Background: With the end of hostilities in 1945 German Intelligence was deprived of many of its assets in the documentation and technical fields. Records, equipment and personnel were scattered. However, with the creation of ZIPPER, trained personnel were brought together with the result that progressively more effective work was done. A close working relationship has been established between TSS personnel and their ZIPPER opposite numbers.
2. Current Assets: ZIPPER is able to produce documentation for agents operating in the Soviet Zone of Germany, the Satellites, and, also, West Germany. Furthermore, the ZIPPER files on Soviet military personnel and units remaining from World War II are a vast source of "legend" material for SR operations. Because ZIPPER has been kept out of the Soviet Union as a matter of policy its documentation section has not developed its assets to any great extent in this area. ZIPPER has been able to develop their own S/W systems and do some technical research in operational aids.
3. Current Level of Support: In addition to administrative, logistical and financial support ZIPPER's technical aids program has received extensive professional assistance. It was CIA policy to see to it that ZIPPER's support of going operations was at a high level. CIA, and through CIA other U. S. intelligence offices, have, for example, provided ZIPPER with:
 - (1) Soviet and Satellite documentation
 - (2) Paper stocks and inks
 - (3) S/W supplies
 - (4) U. S. visas
 - (5) U. S. AGO cards
 - (6) Certain narcotics and drugs not available in Germany
 - (7) Weapons and ammunition
 - (8) Certain burial supplies and equipment not available
 - (9) Audio-surveillance equipment

In addition CIA has provided considerable assistance which ZIPPER will be able to furnish itself when it becomes the GIS.

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4. Current CIA Take: CIA has been able to use the files of ZIPPER for "legend" material. ZIPPER also provided satellite "legends" upon request. Furthermore, CIA has been receiving microfilms of identity and other documents obtained in ZIPPER operations. Document intelligence has accompanied the microfilms. As yet the Germans have made little contribution in technical devices but there has been some information provided us on their developments in the infra-red fields.
5. ZIPPER Potential: When ZIPPER becomes the German Intelligence Service it will be in a much better position to engage in research and development. Furthermore, when legalized, ZIPPER will have direct access to governmental channels for documents intelligence and will, no doubt, be able to expand its work in this field. Without the restraints placed by CIA on ZIPPER operations in the Soviet Union greater capabilities may be expected to be developed in that area.
6. CIA Future Interests: The TSS point of view has been that any future relationship with ZIPPER will be along lines established for other friendly services as stated below under "Statement of Policy."
7. ZIPPER Statements on Future Concessions: No official statement has been made by the ZIPPER chief as to future concessions in this field. The head of the ZIPPER documentation section, while in this country, proposed a Western pool of documentation intelligence. This proposal was made off the record and presented as a matter of urgency, "since changes in the American-German relationship might at any time make the initiation of such cooperation impossible."
8. CIA Reciprocal Concessions: Neither at the time of the above statement nor since has any action been taken on commitments to the future GIS on technical matters.
9. Statement of Policy: TSS' general point of view on document collaboration with foreign intelligence services has been elaborated as follows:
 - a. Document intelligence (including original documents and photos, sterilized if called for); greatest possible cooperation and exchange with all informed sources, unless there are good reasons not to;
 - b. Fictitious cachets; no exchange, except in emergency cases;
 - c. Document reproductions and reproductions of original cachets; each case to be decided on its merits; the controlling factors would usually be decided by the operating divisions, not by TSS.

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ZIPPER SATELLITE OPERATIONS

1. **Background:** Immediately following its charter and subsidization by the U. S. Army in 1946, ZIPPER began satellite bloc operations chiefly using residual wartime GIS assets and the pool of displaced persons in West Germany. Since that time a continuous effort has been made to collect military, economic and political information in Poland, Czechoslovakia, Hungary, Romania and Bulgaria. With rare exceptions, ZIPPER satellite operations have been uniformly unproductive.
2. **Current Assets:** No well-placed ZIPPER agents presently exist in the satellite countries. Current assets in the collection field consist of a small number of border-crossers and a few intermittent S/W reporting sources. ZIPPER has also a small number of good leads which are being developed and have some promise. In addition ZIPPER has several interrogation teams operating in West Germany. The well-trained ZIPPER satellite staffs, with their area and documentary experience, are capable of excellent evaluative work.
3. **Current Level of CIA Support:** ZIPPER satellite operations staffs are subsidized. Specific operations are individually financed upon submission of agent names, personalia and operational data to CIA case officers for approval. In addition to financial support, operations are assisted by name tracing, documentation and other technical assistance and background material. Where possible, intervention is made for ZIPPER agents when they become involved with German and Austrian authorities.
4. **Current CIA Take:** CIA now receives all intelligence information resulting from ZIPPER satellite operations. This is primarily information gathered from the interrogation of illegal border crossers.
5. **ZIPPER Potential This Activity:** While no great improvement is to be expected immediately, ZIPPER operations in the satellite area should become more productive with increased staff, agent and area experience. When ZIPPER becomes the GIS it will unquestionably attract many prospective agents.
6. **CIA Future Interest:** CIA will have a continuing interest in all intelligence information produced by ZIPPER satellite operations.
7. **ZIPPER Statement of Future Concessions:** General Gehlen, ZIPPER Chief, stated to DCI that ZIPPER would continue to furnish CIA its entire East-bloc production upon its legalization as the GIS. This statement was cleared with responsible German Government officials.

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8. Extent of CIA Concessions: No formal concessions covering the post-CIA period have been made. However, in return for continued close cooperation the present level of support outlined in paragraph 3, above, possibly excepting direct financial support, should be continued. CIA case officers might be provided to ZIPPER in Berlin and Vienna to give on the spot logistic and other support.
9. Policy Statement for Inclusion in the Proposed U. S./German Federal Republic Agreement:
 - a. Exchange with ZIPPER of CIA-produced reports on the satellites?
 - b. Joint CIA/ZIPPER Operations?
 - c. Level of Air/Maritime Support?

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ZIPPER - PROPAGANDA AND PSYCHOLOGICAL WARFARE

1. Background: The problem of ZIPPER's participation in propaganda and psychological warfare activities was first raised in January 1952, in anticipation of ZIPPER's eventual recognition as a German intelligence service. General Gehlen has always maintained that the "II function" or PP activities was properly delegated to the clandestine intelligence arm of the West German Government and that, if ZIPPER were legalized as such, he would insist that this function be under his jurisdiction. It does not appear that General Gehlen has ever changed this view, although he has preferred to hold ZIPPER to planning functions in this field until such time as ZIPPER is legalized.

a. In February 1952, a committee of six ZIPPER staff members was appointed to formulate plans for initiating a psychological warfare program. This committee consisted primarily of former German intelligence and army officers who were engaged in Wehrmacht operations on the Russian front during World War II, and who had an extensive knowledge of the USSR/Satellite populations.

b. In May 1952, CIA representatives briefed the ZIPPER staff on the broad U.S. objectives in the PP field and recommended that the primary PP target for ZIPPER should be eastern Germany. ZIPPER agreed to initiate, and to coordinate, psychological warfare operations in this area, subject to approval from the Federal Government and from the leader of the opposition, the late SPD Chairman, Dr. Kurt Schumacher. ZIPPER also indicated that its long-range program in the PP field would include operations against the USSR/Satellites.

c. In July 1952, General Gehlen directed ZIPPER's PW staff to turn over to the Federal Republic government all information relative to West German PP activities thus indicating that ZIPPER would have no PP responsibilities for western Germany. At the same time, General Gehlen advised that he was meeting with the [redacted] to discuss plans

for a psychological warfare program, presumably directed against the USSR/Satellites. The ZIPPER staff was also in contact with NTS, the Russian emigre group, as well as other eastern emigre groups, and expressed the desire to meet with RFE representatives for discussions involving political and psychological warfare planning.

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d. On 18 September 1952, ZIPPER advised that the Federal Chancellery had approved its plan for PW activities in the Soviet Zone, but that until ZIPPER was integrated into the German government, the ZIPPER PW staff would confine its efforts to research and planning and no PW operations would be initiated.

e. On 7 January 1953, Dr. Hans Globke of the Federal Chancellery advised that the ZIPPER PW staff would be entrusted with certain secret policy planning for East Germany and the satellites, and that these plans would be implemented by other agencies of the government on the basis of specific orders, presumably issued by the Chancellor's office. Globke stated that he was the appropriate channel for policy discussion of ZIPPER PW affairs and of secret PW policy planning for eastern affairs. Globke added that the ad hoc Cold War Committee of State Secretaries Lenz, Von Lex and Thedieck, and Federal Security Agency Chief John would coordinate only the overt and semi-overt PW operations.

f. In late December 1952, General Foertsch, Chief of the ZIPPER PW staff, advised that his office was working on the assumption that it will be responsible for clandestine psychological warfare in the Soviet Zone. Accordingly, he recommended that CIA withdraw its financial support from the various West German agencies now active in this field and make these funds available to ZIPPER for its PW operations. He stated that CIA financial assistance for the ZIPPER PW program would be required for an indefinite period following ZIPPER's recognition as the German Intelligence Service. Foertsch also expressed willingness to receive continuous broad policy guidance from CIA and gave assurance that CIA would be kept informed of ZIPPER'S PW plans.

g. The first skeleton operational plan of the ZIPPER PW staff was also submitted in December 1952. It called for the establishment of a headquarters base for PW activities, a main operations base and four territorial directorates, at a total initial cost of roughly \$500,000. This group would concentrate on psychological warfare in the Soviet Zone of Germany, utilizing radio propaganda, distribution networks for printed material and oral communications. Presumably, this group would coordinate, and possibly direct, the present PW German assets in this field. According to information received in April 1953, the ZIPPER PW staff is continuing its planning activities for East German operations but is also monitoring the activities of eastern emigre groups.

h. On 6 May 1953, at a meeting in Washington, State Secretary Dr. Lenz of the Federal Republic Chancellery informed

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representatives of EE Division that ZIPPER does not have a charter for PW-type operations and stated further that there was no intention of broadening the ZIPPER charter to include such operations if and when ZIPPER was integrated into the Federal Government. In Lenz's view, ZIPPER is and will remain exclusively concerned with the collection and dissemination of positive intelligence. In this connection, Lenz emphasized that Globke is subordinate to him and functions as his deputy for certain activities which include the field of positive intelligence.

2. Current ZIPPER Assets: The PW staff and firm connections with outside consultants experienced in psychological warfare and propaganda activities.
3. Current Level of CIA Support: Administrative, logistical and financial support amounting to 17,065 DM per month for FY '53.
4. Current CIA Take: None other than a few academic studies on Soviet affairs.
5. ZIPPER Potential: Established access to the Soviet Zone of Germany where ZIPPER's resources are unequalled. Connections in Russian and satellite emigre circles in western Germany.
6. CIA Future Interests: CIA will be interested in coordinating the policy on any ZIPPER PW and resistance operations and in monitoring or influencing such operations to the maximum degree feasible. CIA is also interested in confining the ZIPPER PW charter to activities outside of West Germany and preferable to concentrate activities in the Soviet Zone of Germany.
7. ZIPPER Statement of Future Concessions to CIA: ZIPPER has made no commitments to date. General Foerster's personal statement regarding ZIPPER's need for U.S. funds and policy guidance and his assurances that CIA will be kept informed of ZIPPER's PW plans does not, necessarily, represent General Gehlen's views. (It should be noted that Gehlen omitted reference to ZIPPER's PW plans in his Phase IV proposals for ZIPPER's transfer to the Federal Republic.)
8. Extent of CIA Reciprocal Concessions: CIA will perform policy guidance and policy coordination functions for the ZIPPER PW staff where feasible. CIA will, insofar as it is deemed advisable, and on a quid pro quo basis, reveal to and coordinate with ZIPPER specific CIA controlled activities in Eastern Europe, including the Soviet Zone of Germany.
9. Policy Statement for Inclusion in the Proposed U.S. Federal Republic Agreements: None.

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10. Unresolved Points: It is evident from the foregoing that the question of a PW charter for ZIPPER has not been settled. The unresolved points appear to be the following:
- a. According to Globke, ZIPPER will have a charter for clandestine PW operations; according to Lens, it will not.
 - b. General Gehlen wishes eventually to have a PW charter consistent with and as broad as the FI charter for ZIPPER as the German Intelligence Service. In contrast, CIA is considering the ZIPPER PW charter as primarily one for East Germany.
 - c. Plans submitted by the ZIPPER PW staff indicate a fairly high level of activity in West Germany to backstop the clandestine ZIPPER PW operations and to indoctrinate the West German population. Federal Republic representatives, however, emphasize that ZIPPER will not have a charter for West German PW operations.
 - d. Although we have been advised as recently as 20 February 1953 (PULL 5036, IN 39497) that PW activities are not to be in the ZIPPER charter, General Gehlen has reportedly been entrusted with secret planning for a German government-in-exile, which normally would include planning for PW-type clandestine activities in the event of hostilities.
 - e. The ZIPPER PW staff is presently being subsidized to plan East German PW operations but is also actively engaged in maintaining contact with USSR/Satellite groups and is engaged in assembling certain material on those areas. Our relations with ZIPPER in these fields should be defined.

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DISPATCH NO. EGLA-3546

CLASSIFICATION

TO : Chief, EE

FROM : Chief of Base, Pullach

SUBJECT: GENERAL— Operational/ZIPPER

SPECIFIC— ZIPPER in a Middle East Program

Reference - SPULL-4793

DATE: 7 MAY 1953
INFO: COM

1. There have been a number of discussions with ZIPPER including several go-arounds between [REDACTED] and UTILITY on subject activities. To date we have not been able to come to an agreement of ZIPPER's Middle East program reflecting KUBARK's position outlined in DIR-30118. MERKER is of the opinion that we can arrive at "some points of compromise" which UTILITY has also expressed. Otherwise their attitude has been essentially negative. It is our opinion that ZIPPER does not want to come to an agreement with us in the Middle East except upon their terms (EGLA-813). UTILITY remains adamant in his refusal to permit KUBARK insight to any of their activities in the Middle East.

2. We did obtain some pertinent comments and observations on this subject from [REDACTED]. The discussions took place informally during a dinner in [REDACTED] when on an operational trip and the views presented by [REDACTED] were given in confidence.

3. UTILITY reportedly informed [REDACTED] as to the general POB/ZIPPER negotiations. He did not inform [REDACTED] of all the details, however, he did give him the impression that a complete deadlock had been reached between himself and [REDACTED] and therefore informed [REDACTED] he was no longer to officially concern himself with a Middle East program. [REDACTED] elaborated on this by stating that of course he will pursue his interest in this field unofficially and as his sideline hobby.

4. When asked whether [REDACTED] shared UTILITY's views re true source data, controlled agent operations, and refusal to coordinate such information with KUBARK, he stated an emphatic yes. He then elaborated by stating:

(a) ZIPPER is opposed in principle to passing or informing KUBARK of any contacts they may develop or have developed in the Middle East because their concept of intelligence procurement in that area is not and will not for the foreseeable future be based on agent type operations. ZIPPER will concentrate on and has excellent

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opportunity to exploit what [redacted] refers to as absolutely top sources, either highest level governmental personalities or Germans in the area who have top level connections with the regimes of the various countries;

- (b) Prior to and during World War II when the GIS had extensive operations in the Middle East, true source data was not required beyond the principal contact. [redacted] stated this to indicate that the principle is not a new one but rather is based upon historical developments and experience;
- (c) All the contacts for intelligence exploitation are to be unwitting. Thus, as [redacted] put it, ZIPPER will not be engaging in an intelligence procurement program in the pure sense and is rather to be considered contact exploitation similar to attache and consular type activities, which, according to [redacted] definition, is not intelligence. His definition of intelligence is in the means rather than in the result;
- (d) If and when agent type operations will be considered in the Middle East area, ZIPPER will adopt the principle of third country approach only. According to [redacted] experience, it is particularly important in the Middle East countries never to recruit an indigenous source of one country to procure intelligence on that country.

5. There is no doubt in our mind but that ZIPPER has started an active program by the systematic exploitation of German assets in the Middle East countries. There is no doubt that German businessmen, engineers and scientists traveling to Moslem and Arab countries are both briefed and debriefed. [redacted] role is rather obscure in this field; however, it may well be that for the time being ZIPPER's planning has indeed reached a stage where [redacted] need not concern himself with detail, except to maintain contacts for the active debriefing of his "hobby friends."

Approved [redacted]

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11 May 1953

MEMORANDUM FOR: EE/FI/G - ZIPPER

ATTENTION: [REDACTED]

SUBJECT: Suggestions Regarding CIA Position on ZIPPER

1. Thank you for the interesting collection of background information preparatory to General Truscott and Jim Critchfield's discussions here. Combined with EGLA-3238 they form, I believe, a good basis for these discussions.

2. Our comments at this stage may not be as precise and to the point as you may desire. We hope that they will be of some use to you, nevertheless. We assume that you will collate the comments you receive into proposed policy statements which will become the subject of discussion upon the arrival of our visitors. It may be advisable to draft alternate statements in cases in which you receive conflicting comments.

3. Re EGLA-3238:

This is a very clear statement of the problems facing us. It may well serve as an introduction to the discussions here, and it may be advisable to furnish a copy of it, with cryptonyms translated into English, to everyone who is expected to participate.

4. Re EGLA-3238, Paras 8 and 9:

It appears to us that the issue raised here becomes crucial to the whole question of our support of ZIPPER. As the dispatch clearly states, coverage of OB in the East Zone of Germany is the outstanding capability of ZIPPER. We need statements from the interested agencies on the relative value of the ZIPPER product. What, for example, is USAREUR's official position concerning their need of ZIPPER coverage in the light of their own operations? If USAREUR in its own opinion is doing an adequate job of covering Russian OB in East Germany, are we in a position to assert that we doubt the validity of that job and will continue to supplement the Army's coverage via our support of ZIPPER whether they like it or not?

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From the point of view of U. S. interests in general, we feel, the relative independence of USAREUR concerning OB coverage in East Germany, provided it is sound, should be welcomed. This is a U. S. controlled effort whereas ZIPPER sources are not known to us. There is the further point that ZIPPER, as it becomes a GIS, becomes a policy instrument of the West German Government. The intelligence product we can expect to receive from ZIPPER in the future is apt to lose its objectivity. It would be hazardous in a serious east-west crisis to rely on ZIPPER's product and evaluations without making allowances for the foreign policy points of view which may be held at that time by the West German Government, or by those portions of it which control the GIS.

Nevertheless, regardless of our position in this matter, East German coverage will presumably remain ZIPPER's number one target after its transformation into a GIS, even if U. S. support were completely cut. Hence it should probably be our line

- a. to continue furnishing operational support for ZIPPER's East German collection effort, especially in Berlin;
- b. to continue our subsidy at a drastically reduced rate;
- c. to continue receiving the take in return for a and b above.

5. Re EGLA-3238, Para 15:

We have no hesitation to gaze deeply into our crystal ball. We must arrive at some sort of an estimate concerning the future because we can take clear-cut action on the basis of one set of assumptions only. Mr. Critchfield's two categories of questions--depending on whether the treaties are ratified or not--appear to us to be of one piece; the answers to most of the questions hardly depend on the treaty issue.

a. We see no reason to doubt either the Army's intentions or capabilities to collect intelligence in Central Europe, (Presumably East Germany is meant here), regardless of the fate of the treaties. We continue to be pessimistic on the outlook for a Four-Power agreement on Germany, and consequently optimistic on the U. S.' continued, indefinite stay in Berlin, and with strong military forces in Western Germany.

b. U. S. intelligence agencies should consequently be expected to operate from Berlin as before, and from West Germany with some degree of West German participation or toleration. The treaties will have some effect on operational conditions in West Germany, but not a fundamental one. If no treaties are signed, West German sovereignty will assert itself perhaps more slowly than otherwise, but we can count on its effect on our operations in any event.

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c. A "policy of containment" vis-a-vis ZIPPER would be considered, in our opinion, as an unfriendly act by ZIPPER and ultimately by the West German Government. The West Germans would counteract by creating difficulties for us in utilizing West Germany as a base of operations. These points, however, do not appear to us to apply to the financial weapon we hold.

d. The treaties seem to have little bearing on the clash of interests between a resurgent GIS and U. S. intelligence in the Near East. We consider such a clash inevitable and quite imminent. It is to West Germany's interest to capitalize on a series of favorable political and economic facts and notions now prevalent in the Near East:

- (1) Wartime support of Arab nationalism;
- (2) Post-war infiltration of German military personnel exiled from Germany;
- (3) Assistance of these personnel in the war with Israel, and presumed German sympathy with the Arab countries in their continued efforts to hold Israel down;
- (4) Resumption of vigorous trade;
- (5) Ambiguity of U. S. policy in the Near East with regard to the Arab - Israel issue;
- (6) Fear of local consequences of possible U. S. military moves in the East-West struggle;
- (7) Inflexibility of the U. S. foreign trade position.
- (8) The low state of [] and [] prestige in the area as a result of the Suez and North African Nationalist issues.

This is an inviting list of factors, all favoring re-emergence of West Germany as a dominant power in the Near East. The position of West Germany in this respect is so closely tied to the national self-interest, that no paper agreements tying down German intelligence efforts in the area are likely to be effective for any length of time. We assume that it will be in the best German interest not to share the intelligence take from the Near East with the U. S. or anyone else, and to exploit the intelligence advantages they derive from a favorable political and trade infiltration unilaterally. The history of our ZIPPER relations regarding the Near East apparently bears this out.

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It is to be expected, therefore, that U. S. intelligence efforts in the Near East must proceed on their own and that they will be handicapped by German competition. It behooves us, under the circumstances, at least not to finance German intelligence resurgence in the Near East. In turn, German intelligence in the Near East becomes an important counter-espionage target.

e. It stands to reason that [REDACTED] and other services, looking from the outside in, and on the basis of what they know about our support of ZIPPER on the one hand, and our negotiations with them concerning ZIPPER on the other, will hold us responsible for a GIS resurgence in the Near East.

6. Re "ZIPPER - Satellite Operations":

We wonder what Para 5 of this paper is based on. We doubt whether ZIPPER will be able to attract agents in the Satellites more readily after it becomes a GIS than it is now. In our opinion, what we need in this field is an exchange agreement on operational facilities. ZIPPER's satellite infiltration operations, such as they are or may develop, will require operational facilities in Berlin and Austria. Ours will require operational facilities and toleration in Western Germany. Given the limitation of GIS facilities in this field, our financing their infiltration operations is not likely to change the product in any significant manner.

However, as Western Germany progresses politically and economically, ZIPPER will probably have a primary opportunity to exploit legal East-West trade and travel involving West Germany. The product of such operations, or even of debriefings, should be obtained by us in return for whatever operational or financial consideration will be required. We can see no reason to exchange Satellite intelligence reports with ZIPPER, or to mount operations jointly with ZIPPER (with the possible exception of boat operations into Poland), or to provide ZIPPER with air support for Satellite operations.

7. Re "ZIPPER - USSR":

Subject to comments you are likely to receive from SR Division which is in a better position to make suggestions, we wish to state the following: ZIPPER's special capability in the field of Soviet operations in our opinion lies in the [REDACTED] rather than the infiltration field. Regardless of organizational subdivisions in DDP, our policy on these two fields should be of one piece. We should encourage ZIPPER to concentrate on the recruitment of Soviet nationals stationed in East Germany and East Germans who may, for one reason or another, go to Russia. ZIPPER has unique access to them through East Germans. We assume that budgeting for these operations will fall into the framework of East German OB operations.

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In this field, again, we may need operational assistance and toleration from the GIS for our West German base. Beyond this, there seems to us to be little that we can request the GIS to do that we cannot do better. Consequently, we suggest that the following points be eliminated from the policy statement concerning ZIPPER operations into the USSR: 2 b, 2 c, and 2 e.

We cannot comment on 2 f; ZIPPER qualifications for this operation are unknown to us.

We would also suggest elimination of the following points from the section "AIS Responsibilities", in the policy statement mentioned above: 3 a, 3 c, 3 d.

Items mentioned under paragraph 4 should probably be continued on an exchange basis.

Paragraph 5 should be cancelled.

Concerning ZIPPER responsibilities, we should insist on paragraph 6 b; obtain 6 c, if any; and 6 a, at their discretion.

We propose that the paragraph on "Implementation" of the policy statement concerning ZIPPER operations into the USSR be cancelled. The personnel which would have to be invested on our part in such an enterprise can be more profitably employed at CIA stations on the periphery of the USSR, especially in the Near East.

8. Re ZIPPER CI-CE Operations:

Subject to views which may be expressed by [REDACTED] and the CE officer of EE Division, we wish to state the following: A conflict appears to be shaping up within the West German Government in the CI-CE field between the growing facilities of the BfV and the LfVs, and the ZIPPER CE show. We believe it would be an error to facilitate absorption of the CE sections of these federal institutions by ZIPPER.

In the first place, it is not to be expected that the Social Democratic Party would permit such a process without a serious fight. The history of the Weimar Republic must have left a deep impression on leading Social Democrats. They expect to be a government party after the next election, and if not then, a few years later. They know from their own experience and from that of their Socialist friends in many other European countries that they cannot expect to have effective power in the State without control over the internal security services.

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Even without this factor we doubt whether it would be to the U. S. interest to vest the complete intelligence - internal security power in the group headed by Gehlen. A need for balance is indicated in which, by reserving to ourselves the ability to play one group against another, we can exercise a minimum of influence and control. The basic antagonism between the political orientation of the leaders of the BfV and the leaders of ZIPPER gives us such a handle. If the two are permitted to establish a healthy rivalry, they will each let us know about the other's misdeeds. If Gehlen is permitted to assume complete control, he becomes one of the most powerful political figures in Germany; - and the question exists in the back of the minds of many observers whether that has not been the man's ambition for the past several years.

It should be CIA policy in our opinion to encourage the BfV structure to absorb qualified and politically acceptable ZIPPER CE personnel into its own ranks. The rest of the ZIPPER CE structure should be permitted to die when ZIPPER becomes a German governmental responsibility, with the exception of those elements required for the protection and exploitation of ZIPPER operations based outside Western Germany. In such a division of labor we believe ZIPPER CE operations involving West Germans concerned with East German security targets, or East German security personnel operating in West Germany, should become a BfV responsibility.

9. In sum, it is the view of FI/OPS that cooperation with and support of ZIPPER should be continued. Our emphasis should remain East Germany with special regard to [redacted] and [redacted] fields. Exploitation of legal travel possibilities into the Iron Curtain area should rank next. We should discourage as far as we can ZIPPER's efforts in the Near East and should harbor no illusions that we can share in any success ZIPPER is likely to have in that area.

Our general objectives may perhaps be best achieved by drastically cutting ZIPPER's subsidy. Their priority is likely to remain East Germany and our reduced funds will probably have to be spent on that target. They are thus apt to find themselves short of funds in their expansion in the Near East. Nor should our funds be available to finance ZIPPER's position of competition with the BfV. Concurrently we should further reduce our expenditure in staff manpower now devoted to ZIPPER liaison and reassign qualified personnel to CIA controlled operations, especially in the Near East.

[redacted]
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2 JUL 53

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Briefing for Meeting with Theodor Blank

1. It is possible that at your conference with Theodor Blank on 3 July 1953 he may raise the issue of German Federal Republic intelligence problems. Specific reference may be made by him to the future of the Gehlen Organization via-a-vis Friedrich Wilhelm Heinz, chief of the Blank Office Intelligence Section. As you know, General Truscott has requested that Blank be heard out should he present his views, but that he not be given the impression that he can generate support for Heinz in Washington.

2. It is recommended that CIA's position as trustee of the Gehlen Organization be made clear to Blank while he is in Washington. It is suggested, therefore, that he be informed that the U. S. Government has held the Gehlen Organization in trusteeship in anticipation of transferring this intelligence group to a sovereign German Federal Republic at an appropriate time. As trustee, the United States has subsidized the organization at an estimated cost of \$25,000,000 to date. In addition, CIA has provided professional assistance, equipment and information to the organization in order to develop its professional competence. We have recognized and respected the integrity of the group as a German organization.

3. It is also suggested that Blank be reminded that Chancellor Adenauer has given us his personal assurance that the Gehlen Organization will be taken over intact by the German Federal Republic and subordinated to the Chancellery following ratification of the Contractual Agreements. Blank should understand that it is not our intention to become involved in the internal affairs of any sovereign government. However, we are convinced that it will be to the best interests of Western Germany and the Allied Powers that the German Federal Republic have a well-founded centralized external intelligence service. Furthermore, we expect the German Federal Republic to make a major intelligence contribution against Communism and the Soviet Bloc and we hope to continue to work in harmony and close cooperation with German intelligence and security authorities.

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4. Attached as Tab A is additional background information concerning the rivalry between the Gehlen and Bauna organisations and Blank's views.

RICHARD HELMS
Acting Deputy Director, Plans

ATTACHMENT: TAB A

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[REDACTED]
2 July 1953.

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SECURITY INFORMATION****TAB "A"****BACKGROUND OF BLANK-GEHLLEN RIVALRY**

1. The rivalry between Friedrich Wilhelm Heinz and Reinhard Gehlen dates from the summer of 1950 when Heinz was appointed to his present position in the Blank Office. Although the intelligence activities and organization of Heinz's intelligence section can in no manner be compared with the size, efficiency and well-rounded service of the Gehlen organization, Heinz, by virtue of his official position in the German Government has been Gehlen's most influential rival and outspoken adversary. Heinz has had the support of those in the Bonn Government who share his personal dislike for Gehlen, disaste for the predominance of former general staff officers in the Gehlen organization, and in some quarters from those who regard the organization as an extra-legal instrument of a foreign government.

2. From time to time, Theodor Blank has been a sympathetic member of the Gehlen opposition. In the past year, however, probably owing to the influence of General Adolf Haussinger, his ranking military advisor, Blank has come to recognize the professional competence of the Gehlen organization. However, he still appears to have little understanding of the makeup and character of a professional intelligence service. He has proposed that the collection and evaluation staffs of the Gehlen organization be separated and that other components be dispersed throughout the various ministries of the Federal Republic. He originally expressed these views to CIA representatives on 11 August 1959. At that time it was explained to Blank that it had been CIA policy to encourage the development of highly effective, integrated collection, sifting and evaluation efforts in the Gehlen organization.

3. Blank has been briefed by Chancellor Adenauer regarding his intentions to integrate the Gehlen Organization intact into the German Federal Republic subordinate to the Chancellery. In August 1959 Blank visited Gehlen's headquarters for briefings by ranking members of Gehlen's staff. It is believed that Blank was favorably impressed.

4. His desire to discuss West German intelligence relationships at this time have no doubt been stimulated by recent developments in the case of Heinz. The facts are that Otto John, Chief of the Bundesamt für Verfassungsschutz and erstwhile opponent of the Gehlen organization, acting either on his own initiative or at the instigation of unknown parties investigated Heinz and found evidence that the latter had falsified a report regarding Gehlen's

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recent speech to leaders of the Landesamt fuer Verfassungsschutz. John has discussed his findings with both Blank and Dr. Hans Globke, Internal Affairs Chief in the Federal Chancellery and Adenauer's advisor on personnel matters. John has also submitted a report to Adenauer. As it now stands, no decision regarding the Federal Republic's case against Beirns will be made until Blank returns to Germany.

3. In the event that Beirns should be relieved of his present duties, it seems likely that his position will be given to Endolf-Christoph Freiherr von Bernstorff, who now is Gehlen's liaison officer to [redacted] Intelligence in Bonn. In any case, Beirns' future in the Blank Office is an internal matter of sole concern to the German Federal Republic.

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6 July 1953

SUBJECT: Meeting between the DCI and Theodor Blank and Adolf Hoenninger on 3 July 1953

1. The Director met with Theodor Blank and Adolf Hoenninger on 3 July at 12:15 PM and saw them from 12:15 until 1 o'clock. The Director started the discussion by pointing out to Blank and Hoenninger the importance we attach to Germany in the EEC and the importance which he, as head of CIA, attaches to the intelligence potential of Germany as a neighbor to the satellites, a neighbor who found many opportunities to have access to the Russians. The Director pointed out that his Agency is bent on finding out about the Soviet Union and that the German Intelligence Service (KIPFER) has greatly helped this Agency in the coverage of the Eastern targets.

2. The Director stated that he wanted to help Germany as much as possible in its problem of creating a national intelligence service, and for that reason he brought out an organizational chart of CIA which he explained to Blank and Hoenninger. When Blank and Hoenninger stated that governmental opinion in Germany tended somewhat towards operating the different integral parts of an intelligence service and assigning them to different ministries, the Director pointed out the importance of keeping an intelligence service as a whole and as an impartial agency within the state.

3. At the end of the meeting the Director mentioned the importance he attached to the problem of a future German intelligence service and tentatively arranged for Blank and Hoenninger to have dinner with him on Sunday, 13 July, to further discuss this problem. It was agreed that prior to such a dinner I would discuss the entire problem of a German intelligence service with Blank and Hoenninger, and a date was set for the evening of 3 July.

PETER SICKEL
EE/WI

Original DCI
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6 July 1953

SUBJECT: Discussion with Blank and Hausinger on the Evening of 3 July 1953

1. Blank and Hausinger had dinner with me on the evening of 3 July, a dinner attended by Major Henry Schardt of FBI and Mr. Knight Mahan of CIA. After the usual pleasantries and a rather heated discussion on the implications of the disturbances in the Eastern Zone of Germany and on the desirability of Four-Power negotiations on the unification of Germany, we came to the purpose of the evening: the discussion of a future German intelligence service and Blank's objections to SIPHER. During the entire conversation and the entire evening it was apparent that both Blank and Hausinger work closely together in the greatest of confidence and that Hausinger shared Blank's opinions on the subjects discussed. It is noteworthy that whereas Blank was extremely shy and nervous during the conversation with the Director earlier on 3 July and started being shy and nervous at the beginning of the evening, as the discussion developed he gained self-assurance and by the end of the evening he was self-confident, expressed himself well and was altogether master of the situation. It is also noteworthy that it is Major Schardt's and my opinion that Blank and Hausinger dealt with us completely honestly on the subject and that good rapport was established. The main conversation was carried by me - Major Schardt and [redacted] being largely instrumental in creating a favorable atmosphere prior to discussion of the problems.

2. I started the discussion by referring to the Director's conversation earlier on 3 July on the subject of a national intelligence service and how it fitted into the nation as a whole. I again described the separation of procurement from evaluation, the relationship of the Director of CIA to the IAS agencies and his position within the Government. Going further, I also emphasized the importance we attach to the complete separation of an external intelligence agency from an internal security service as well as the importance of an external intelligence service being completely non-political and entirely professional.

3. Both Blank and Hausinger showed great interest in our concept of an intelligence service especially as far as the requirement picture is concerned and especially in the evaluation part of a service. They also asked intelligent questions

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about the function of S-2, its limitation to certain types of operations, its dependence for finished product on this Agency as well as the possibility of its procuring raw take in certain cases. After an extensive discussion on organization and the principles involved, I opened the question of a German intelligence service and the great worry to us of Blank's intention of splitting up ZIFFER into different ministries. Blank, by that time complete master of his own thoughts, talked for about fifteen minutes on ZIFFER, his position towards ZIFFER and his ideas as far as the intelligence service is concerned. He started out by stating that he was greatly impressed by my expose of the functions of CIA, its position within the state, its relationship to different intelligence agencies and other departments and the relationship of its chief to the President and other members of the Government. He said that there were a number of ideas which had occupied him so far in my expose and which he thought were definitely adaptable to the German scene. He felt, however, that with the German weakness towards totalitarian solutions many safeguards were necessary in Germany which were not really necessary in the U.S.

4. He then went on to point out his main reservations about ZIFFER. He started out by stating flatly that whereas he might have been represented in the past as opposing ZIFFER, this was not according to facts. His objections to ZIFFER were the following:

a. Blank, himself, is at present entrusted with planning for a future German armed service. Maudinger, who is charged with the detailed planning rather than the policy aspects, must be able to work out organisational charts, equipment tables, and develop basic philosophies of warfare, both defensive and offensive, whilst without detailed intelligence on the potential of the enemy is a planning exercise in a vacuum. Blank has never received from ZIFFER the intelligence necessary to do this job. Because he has not received such intelligence, he was forced to start his own intelligence service, an intelligence service with meager means able to do part of the job but definitely not able to arrive at the same solutions which a large and wealthy organization like ZIFFER can. Blank was very bitter on the subject. He said that the briefings of the Chancellor were usually oral and were one of many other briefings on different subjects which, of course, the Chancellor listened to but would be in no

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position to pass on to people who needed such briefings and needed them in writing in order to attend to their business. Black said that as long as SIPFER was in no position to provide him with intelligence, it would be necessary for him to build up his own intelligence service and it would also be necessary for his office to operate in a virtual vacuum. He claimed that his security and the security of his office was extremely good and that in over two years of operation there has not been one security incident. He felt that intelligence ought to be passed to him by SIPFER, such intelligence to be used by his planning staff as considered necessary and such intelligence furthermore being used by him to brief both the Chancellor and the head of the opposition, who, after all, had been completely bipartisan on the question of his office and was entitled to the same briefing the Chancellor received.

b. The second reservation that Black raised as far as SIPFER is concerned is SIPFER's meddling in internal German affairs. He stated that a country like Germany, with its propensities towards subversion by a small organized group of largely disorganized groups, could not afford to create a system of informants and stool pigeons on its own soil. He stated that no chancellor could ever afford to have an intelligence service that was under suspicion of being involved in politics, of gathering information on leading politicians and generally subverting individuals within the state for their own political ends. He stated that SIPFER was doing this and that until it was established that SIPFER would not do this, it would not be acceptable to any chancellor or to any part of the government.
(Comment: Black, no doubt, referred to SIPFER's special contacts and possibly even to SIPFER's CK show.)

c. Black next stated that an external intelligence service, as it is in the U.S., must be completely separated from an internal security service and must not be under any suspicion of having an illegal internal security apparatus.

d. Black next stated that his objections to SIPFER were also somewhat personal, since SIPFER, for the last two years, has tried to discredit a loyal member of his own agency and his co-worker by falsified information,

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by whispering campaigns and by political pressure. He no doubt referred here to Haines, the head of Blank's intelligence service. Blank stated that he will protect the people under him and he will not succumb to pressure of any kind to get rid of people who have been loyal and have done a good job for him.

5. Blank concluded that he had a very high opinion of SIPFER itself, of the specialists there and he fully realized that Germany could not afford to lose such qualified personnel and definitely counted heavily on them. He also understood our anxiety to preserve the agency as a whole and saw the logic in this. Nevertheless, the reservations mentioned above were ones which had to be dealt with before any thought could be given to SIPFER becoming a part of the government. Quite obviously at this point these discussions were somewhat unrealistic, since SIPFER could not become part of the government before ratification of NIE and the contractuals, but that immediately after such ratification quite obviously the budget of the military establishment would provide enough loopholes to permit the financing of such an agency as SIPFER.

6. The rest of the evening was spent discussing problems concerning rights and customs of soldiers in the U.S. Army to specific questions posed by Blank and Bauminger. The evening ended on a very cordial note by Blank and Bauminger requesting my wife and I to help them buy something for their families prior to leaving for Germany.

7. I will meet with Blank and Bauminger on Saturday, 11 July, socially, at which time I will give them details on the meeting with the Director.

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AUG 7 1953

MEMORANDUM FOR: The Deputy Director, Plans

SUBJECT: Legalisation of ZIPPER

1. The legalisation of ZIPPER has never been assured. Recent events have only pointed up ZIPPER's precarious political position. However, in view of Adenauer's unequivocal support, legalisation appears certain if he receives strong support in the elections. A weak Adenauer or SPD coalition present the question marks of the future. Gehlen's continuance as the chief of ZIPPER might very well be in doubt in such a case. However, Erich Ollenhauer, the chief of the SID, has expressed his recognition of ZIPPER as the future CIS.

2. The basic struggle between Otto John, Chief of the internal Security Office (BfV), and General Gehlen, once the major stumbling block to legalisation, has been resolved. In fact, John's anti-Gehlen partisans find his about-face too abrupt and suspect Gehlen of having coerced him. On the working level, except on CE matters, the cooperation of ZIPPER with elements of the BfV and other governmental offices has been good. In all fields it is steadily improving.

3. However, there are indications that resentment and anti-Gehlen sentiments exist in high places. Theodor Blank, while he was in the United States, expressed four major objections to ZIPPER: a) he was not receiving the intelligence he needed from ZIPPER; b) ZIPPER was meddling in internal affairs; c) an intelligence service in the German government must be under no suspicion of having an internal security apparatus; and d) ZIPPER had been slandering a loyal subordinate in an effort to have him removed.

4. Through a breach of confidence on the part of Hans Globke, Internal Affairs Chief of the Federal Chancellery, Otto Lenz, State Secretary for Internal Affairs, learned of Gehlen's suspicions of his loyalty and, reportedly, intends to bring the matter before the Bundestag Committee on Security Matters.

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5. Blank's opposition, if it were to continue, and a discussion of the Lens Affair before the Security Committee could seriously jeopardize the legalization of ZIPPEN. Therefore, the following measures have been taken: a) ZIPPEN is now passing information to Blank through his aide, or through General Heusinger; b) General Truscott saw General Gehlen and expressed our views. In answer, he received denials of past indiscretions and assurance for the future; c) evidence is being gathered to determine whether the anti-ZIPPEN campaign is based on fact or inimical gossip; and d) PDB has been asked to arrange such peace moves as are possible in relation to Lens, with the aim of keeping the matter out of the Bundestag Committee.

6. In the face of this situation we can:

A. Discuss the problem with Adenauer directly, receive his views, and suggest that he take such measures as will assure support of ZIPPEN's legalization - specifically to answer Blank's charges - and the Lens Affair.

B. Take no direct action except to implement what has already been begun until after the elections, at which time, depending on the situation, decide to retain or get rid of Gehlen. In preparation for this last possibility, the willingness of the U. S. government to see Gehlen resign if that is necessary for the future of the CIA should be communicated to the chancellor.

7. Our open support of General Gehlen at a moment when the emergence of a centralized German Intelligence Service may require his removal appears to be a tactical error. It is, therefore, suggested that the Director not see General Gehlen at this time. Such a visit might serve only to make General Gehlen more intransigent and would infuriate his enemies, as well as provide them with further evidence of U.S. control. In the Director's letter to General Gehlen on 1 June 1953 Mr. Critchfield was given authority to discuss the transfer and related matters. Until the picture is clear this should be the channel for our discussions with General Gehlen.

[Redacted]
Chief, Foreign Intelligence

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Orig & 1-Addressee 7 August 1953
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Policy.

Operational/KUBARK/ZIPPER Relations
Background Documents

1. This is merely an effort to cite a number of documents which will provide part of the historical perspective necessary for proper evaluation of the current tension between UTILITY and us.

2. Listing of Documents:

- (a) A Memorandum for the Record of a [REDACTED]/UTILITY conversation 19 March 1953, never previously forwarded. (Attach. A)
- (b) A letter from UTILITY to [REDACTED] 12 May 1953:
"We are especially thankful that the trend during the last months was to give us more freedom and responsibility in the control of our operations.....I would welcome an intensification of this tendency."
- (c) A letter from [REDACTED] to UTILITY 1 June 1953:
"I am hopeful that the trend...can be continued and directed toward the establishment of a mutually beneficial relationship.....Sometime during the next few months I hope to have the opportunity again to be in Europe and to discuss personally with you a number of matters of joint interest."
- (d) A letter from UTILITY to [REDACTED] 8 July 1953: (Attach. B)
Summarized: (1) Political danger of American label on ZIPPER emphasized. (2) Corrective measures should be discussed at policy level; refers previous recommendations to reduce size of American staff and abandon "opposite numbers system". (3) UTILITY states he prepared to compromise; making no demands. (4) See lag in EDC and German treaty ratification; American label becomes thus more serious problem. (5) Feels present system vulnerable to parliamentary investigation. (6) Admits advantages of US support in Berlin, Vienna etc.; feels they do not outweigh disadvantages politically. (7) Points out UPGROWTH acceptance of ZIPPER as CIS in "trusteeship" is feather in US hat; feels this warrants considerable real indepen-

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dence now. (8) Independent ZIPPER would be more efficient and more productive. (9) If political goes badly, dissolution of ZIPPER may prove necessary.

Comment: This letter was discussed with [REDACTED] and [REDACTED] in Frankfurt 9 July 1953. It was agreed that we should take reasonable attitude and ask UTILITY for more specific proposals. This was done verbally by [REDACTED] on 13 July. ZIPPER reply was received ten days later. (Attach. C)

- (e) A letter UTILITY to [REDACTED] 23 July 1953: Specific ZIPPER proposals for changes in operating and reporting procedures between ZIPPER and KUBARK staff. On the whole, the proposals are realistic and acceptable to us. They are a compilation of detailed recommendations made by the ZIPPER staff section chiefs. [REDACTED] discussed them with MERKER on 12 August and indicated that a reply would be forthcoming in about a fortnight. No significant change is involved.
- (f) Letter from [REDACTED] to UTILITY 5 August 1953: (Attach. D) Subject was Priority of Staff Effort. During first six months of 1953 ZIPPER staff efforts have been diverted to increasing extent to meet requirements of non-US customers. This memo was intended to take issue with ZIPPER following a number of incidents in which ZIPPER simply failed to meet requests well within their capability. Perhaps too strongly worded, it evoked an immediate strong reaction on the part of UTILITY who refused any discussion of the points raised in the letter. Instead, he immediately intensified his general attack against KUBARK described in EOLA-5161 Eventually, [REDACTED] discussed the problems with MERKER who urged that [REDACTED] take up all intelligence problems with him...other than those which were known to be of specific interest to UTILITY.
- (g) Memo for Record: [REDACTED] to [REDACTED] 11 August 1953. (Attach. E)
- (h) SPULL 6218: Cabled summary of UTILITY/[REDACTED] conversation 17 August 1953.
- (i) EOLA-5161: UTILITY states basic case against KUBARK; wants greater independence. Fouched version of (h) above.
- (j) Letter from UTILITY to Seppings 19 August 1953: (Attach. F) UTILITY desires audience with [REDACTED] and later with [REDACTED] to discuss "current problems."

3. I believe that this brings my reporting on this subject reasonably up to date.

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3 September 1953

MEMORANDUM FOR: Chief, EE

ATTENTION: [REDACTED]

SUBJECT: ZIPPER

1. I have just finished reading EGL-A-4741 and EGL-A-5161 which you were kind enough to send me. Frankly, my reaction to these memoranda is, as the man at the vaudeville show said, "This is where I came in."

2. Stripped of the current context, the struggle with Utility is essentially the same as it has been all along. I certainly agree with Jim Critchfield that it is becoming increasingly serious, but we are in no better position today, as I see it, to jettison Utility than we were three years ago when we gave this prospect active and thoughtful consideration. In short, it is my feeling that we should go on trying to live with him, uncomfortable as this may be. Granted that the elections this weekend may have an influence on the future of Zipper and its relationship to the West German Government, we have nothing to gain that I can see by changing our relationship with Utility or with Zipper itself. The things which Utility complains about are points where he is in the main quite obviously wrong. He devotes so little time to the technical and professional aspects of clandestine intelligence work that he actually knows little about the subject. His bleats about agent control are the same uninformed nonsense which issues from the mouth of every intelligence peddler who is anxious to make his living by pawning off on the United States a lot of tendentious material combined with fabrication and paper mill production. We know we are right in our approach to this problem, and no agreement we could work out with Utility can hide that fact. As long as we are putting up the money for Zipper, we must pursue our aims as we see them regardless of German resistance or intransigence. It has been my feeling for some time that we have had considerable success in persuading the working level of Zipper that our methods and procedures are sound, and I have no doubt that the future German Intelligence Service will keep in mind the operational principles which we have recommended since logic and good sense are on our side.

3. I do not honestly see what new relationship we can at this juncture negotiate with Zipper. Consequently, I for one favor a continuance of the existing one. Obviously, I could be persuaded with

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strong reasons, but I would most certainly want to hear them before agreeing to any basic changes.

4. I cannot say that I agree with Jim on the point that "... we have greatly exaggerated the importance of the UTILITY/BLANK/ relationship." As long as Blank is an influential member of the West German Government, he is going to have considerable to say about the ultimate future of Zipper. In addition, his complaints about the domestic political activities of Utility are valid. No sensible German these days wants another Gestapo, and it is not in the interests of the Western world to create a German Intelligence Service which might form the nucleus of a totalitarian political movement. Therefore, I think that we should hammer away at Utility whenever the opportunity affords on the necessity for his ceasing and desisting from internal politicking. I recognize that we have little control over him in this regard, but we can at least see to it that our record with him is clear on this score.

████████
Richard Helms
Chief of Operations, DD/P

Attachments: EGL-A-4741
EGL-A-5161

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DD/P 5769

17 September 1953

MEMORANDUM

TO : Chief of Operations
THRU : C/EE
FROM : EE/FIG/Z

SUBJECT: Historical survey of Present CIA/ZIPPER Relations as
Reflected in Recent Correspondence

1. The tension between General Gehlen and Mr. Critchfield, which resulted in the explosive meeting reported in PULL 6218 (IN 11314) is a development of several months standing. It was not simply a case of pre-election jitters although the uncertainty of the future certainly led to the acerbity of recent events.
2. The principal bone of contention between General Gehlen and CIA has been the degree of control exerted by CIA over ZIPPER. We have recently received (Attachment "A" to EGLA-5157, attached) a memorandum of a meeting between Mr. Critchfield and General Gehlen on 13 March 1953. The meeting was largely inconclusive and did not result in any concrete conclusions with regard to the subject in hand, the ZIPPER/Middle East problem. However, in view of the later intensification of General Gehlen's private war on American control some of his remarks take on significance. During the conversation, General Gehlen used the [redacted] Intelligence as an example of how to engage in intelligence collection as opposed to the US method. The [redacted] Service, he said, simply advises their man of the targets it expects him to cover, consistent with his own estimate of his capabilities and provided him with a monthly stipend, which was increased as the agent needed more. Continued pay was based on an evaluation of his product. He attacked our method of concentrating on evaluating information by having operational details and knowledge of the source. Our system calling, as it does, for centralization, he felt to be insecure. Mr. Critchfield naturally was discouraged by this picture in which General Gehlen rejects the gains we have achieved with ZIPPER and vows to return to the professional

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procedures which can only result in a second-rate service. General von Mellenthin, who was present at the conversation but took no part in it, attempted to soften the blow afterwards by telling Mr. Critchfield that General Gehlen never says what he means, that he inevitably sounds sharper in his opinions than he is, and that he, von Mellenthin, is convinced that most of the changes which have emphasized controlled source operations will have a lasting effect.

3. In May General Gehlen gave Mr. Critchfield a letter for delivery to Mr. Dulles in which he stated, "We are especially thankful that the trend during the last months was to give us more freedom and responsibility in the control of our operations . . . I would welcome an intensification of this tendency." The Director's answer gave Mr. Critchfield carte blanche in discussing the future relationship with General Gehlen and was strictly non-committal on any relaxation of control.

4. On 8 July 1953 the situation came to a new climax with a letter from General Gehlen to Mr. Critchfield. (Attachment "B" to EGLA-5157 - original with translation). In effect he:

- a) emphasized the political danger of the American label on ZIPPER;
- b) stated that corrective measures to overcome this should be discussed at a policy level to include a reduction in staff and the "opposite numbers system";
- c) stated that he had been prepared to make compromises in the past and had made no demands in the light of the future transfer to German sovereignty, but, in view of the lag in EDC he sees the American label as a problem which must be solved now, especially in view of possible parliamentary investigation;
- d) admitted the advantages of US support in Berlin, Vienna, etc. but felt they do not outweigh the disadvantages politically;
- e) pointed out that Adenauer acceptance of ZIPPER as a GIS in "trusteeship" is a feather in US hat; felt that this warrants considerable real independence now;

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- f) stated that an independent ZIPPER would be more efficient and more productive;
- g) ended with a forecast of doom by expressing the view that if the political situation goes "in a certain direction" the onus of American support will result in the transfer's being no longer possible.

5. This is the letter which was discussed with General Truscott, Gordon Stewart, and [] in Frankfurt on 9 July 1953 and is referred to in the later cable exchange (FRAN 8353 (IN 12292), etc.). It was agreed that CIA should take a reasonable attitude and ask Gehlen for more specific proposals. Mr. Critchfield received the ZIPPER proposals on 23 July.

6. The proposals are acceptable and realistic to Mr. Critchfield. They are a compilation of detailed recommendations made by the ZIPPER staff section chiefs. No significant change is involved. (Attachment "C" to EGLA-5157 - original with translation).

7. On 5 August, Mr. Critchfield presented a letter (Attachment "D" to EGLA-5157) to General Gehlen taking issue with ZIPPER following a number of incidents in which ZIPPER failed to meet requests well within their capability. It evoked an immediate reaction which came to a head in the turbulent session with General Gehlen on 17 August which was reported in FULL 6218 (IN 11314) and EGLA-5161 (previously routed to COPS). Eventually, the problems raised by Mr. Critchfield's letter of 5 August (which General Gehlen chose not to discuss) were solved with General von Mellenthin, who urged that Mr. Critchfield take up all intelligence problems with him . . . other than those of specific interest to General Gehlen.

8. A side-light on this incident is given in [] Memo for the record on conversations he had with Generals von Mellenthin and Gehlen on 7 August 1953. Much of what was said by General Gehlen was a repeat of the old, old song, which was so eloquently characterized in the COPS Memorandum to C/EE of 3 September 1953 on ZIPPER, and need not be repeated here. (Attachment "E"). However, the notes on his lunch with General von Mellenthin throw an interesting light on the entire situation. Obviously, General von Mellenthin speaks freely to [] and in this conversation exposed his own personal views on

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General Gehlen to an outsider. It is plain that, despite his loyalty to General Gehlen, von Mellenthin is disturbed over the Gehlen/ZIPPER relationship. [REDACTED] states that General Gehlen emerged from the conversation as "a man who has permitted himself to become quite divorced from his subordinates, whose restlessness and creative spirit keep him on the move and pre-occupied with planning for the future and whose vanity and possessive instinct keep him from relinquishing fully the functions of leadership which no longer interest him and which his spiritual separation from the rank and file of the organization dis-qualify him from exercising". [REDACTED] comments that "as long as General Gehlen shows up in Pullach every two weeks or so and exercises, however briefly, the functions of leadership, von Mellenthin cannot enjoy the position of complete authority which would be necessary for the kind of leadership the organization now desperately needs and which von Mellenthin is probably qualified to give". (See General Heusinger's evaluation of the ZIPPER leadership as reported in Memorandum to COPS dated 15 September 1953).

9. On 19 August 1953 (Attachment "F"), General Gehlen expressed a desire to see General Truscott and later Mr. Dulles to discuss "current problems". The resulting correspondence and cable traffic has been fully covered in previous reporting.

Comments: The results of the German election have strengthened Gehlen's position in the German scene but have also destroyed his arguments for the reduction of American influence in ZIPPER. The inimical elements with which he threatened us no longer have the strength to combat ZIPPER. Legalization will probably come after ratification of the Contractuals and the formation of the EDC or as a result of a multi-lateral agreement of the western occupying powers. We have been notified that the German government has plans to finance ZIPPER after 1 April 1954. Adenauer's recent moves indicate he is aiming at that date. During this period our relationship with ZIPPER must be consolidated for the future. If we merely hang on and insist on riding the horse hard to the finish of the first lap we may find ourselves without a horse to ride. After German financial support and political autonomy comes forth, ZIPPER negotiation will be difficult. Now, while the opposite number system so odious to General Gehlen is in effect, we may be able to influence the ZIPPER staff to submit to their chief proposals for future co-operation which would go beyond any they would dare to present if they owed undivided loyalty to their chief. This is particu-

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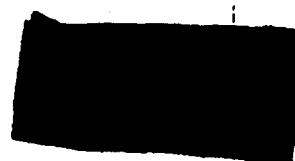
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larly true at the present time when the strain of an inner and outer guard is tugging at ZIPPER's vitals. It is suggested that any proposals originating with Mr. Critchfield asking for the limited concessions intimated in the letter of 23 July be given careful consideration. The ZIPPER staff is apparently in the mood to continue for some time the close relationship with the Americans. The staff proposals were not as strong as one might have anticipated from General Gehlen's statements. If Mr. Critchfield is able to assuage General Gehlen with relaxations which are more apparent than real he may be able, on the basis of negotiations on this limited goal, to firm up a relationship which will be acceptable for the post-legalization era which will provide us with a greater insight than we can now hope for on the basis of post-legalization negotiation. This is an admitted gamble but one which Mr. Critchfield is in a position to judge. His freedom to negotiate is essential in the few months remaining to us.

However, Mr. Critchfield should be strongly advised that any negotiation or step which represents a retreat from our present relationship prior to autonomy will require headquarters approval prior to implementation.

Attachments (9)



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MEMORANDUM FOR THE RECORD

Meeting of 23 September 1953

Present: Donald Huefner
Gordon Stewart
Peter Sichel
[redacted]

Subject: ZIPPER-UTILITY Relations

The purpose of the meeting was to determine the nature of our next moves as regards ZIPPER. It was decided and agreed that:

1. We do want to negotiate.
2. Basic policy agreement should be made at HQ as to minimum and maximum positions. However, the negotiation should not be based on finishing these details.
3. Jim Critchfield should continue informal discussions with Gehlen with the aim of determining exactly where he stands. He is not to finalize any position.
4. At the point of transfer negotiation should be at the government level.
5. The concept of a Secret Bilateral Agreement between the two intelligence services is still ok - will have to be revealed to Gehlen as the government representative of the G/S.

The present task for headquarters is to prepare an outline of the agreement which will cover the maximum desires and minimum demands we shall make in any Bilateral Agreement. First priority is the question of intelligence production from the future G/S. This must be negotiated with ZIPPER. Secondly, there is the question of a continuation of our own CIA operations in Germany and support thereof. This is to be negotiated on a joint Government-ZIPPER level. Finally, there is the question of U.S. controlled joint operations.

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In the preparation of an outline on such an agreement the statements on record from the past will be included. Particularly Gehlen's own past position is to be considered.

Until the changeover takes place we intend to retain the opposite number system and the personnel will remain the same with minor changes. Our intent in preparing and proposing liaison with the GIS will be to make this as palatable to the Germans as possible. Gordon Stewart stated that until the changeover comes about there should be an attempt to develop in the Germans a necessity for continued close liaison in certain fields. But in the long run we should make it clear that we intend to protect ZIPPER secrets.

Details of ZIPPER-POB Relations

The files at Pullach are dynamite. There should be an attempt made now to withdraw them from Pullach so that there won't be a mass exodus with the resultant publicity.

A basic point at issue with ZIPPER is Gehlen's refusal to accept our views on the control of operations. We, by our close liaison have persuaded the HQ staff. (After all, we're on their side.) Gordon Stewart proposed and it was agreed that an attempt should be made to convert Gehlen - by a special trip if necessary. Although there was doubt that this would gain anything, this was agreed -- to include Mellenthin.

In the [redacted] case -- no enthusiasm for POB approach. Almost any answer poor. However, Gordon Stewart suggested that the possibility exists for James Critchfield to put a foot down on the operational support of [redacted].

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8 July 1953

My Dear Mr. Marshall (Critchfield):

As you know from our exchange of views, the following is playing an ever greater role in the propaganda of circles inimical to the organization:

It is asserted that the Organization, as a result of the nature and duration of the more than seven-year association with the Americans, has become so completely dependent upon the United States in mind and fact, that, even with the best will in the world, when it is transferred to German control, this dependence must necessarily remain, so that from the German point of view it will be unacceptable. This argument is extremely dangerous and it appears to me that something must be done on the policy-level. I have seen this argument coming for a long time. My proposals for a reduction of the American staff and the modification of the opposite-number system was based on this consideration among others. By German standards the prevailing system of cooperation gives me only limited possibilities, at present, to lead and mold with a free hand.

The fact that I express myself on this matter should not be taken as an expression of discontent with our present cooperation. In fact, I know that these things are hard for Americans to understand because of the exceptionally wide gulf between German and American thinking. At the same time, we can be thankful and content with the fairness shown us and the attempt to understand us. I know that you personally have done an immeasurable amount to create an understanding of our way of thinking. Probably the chiefs of the American IS, who are used to your customary method of direction, have little understanding of the fact that we feel this to be "Gaengelei" (trs. note: a simile drawn from the picture of a child in a toddler's harness) which we could not endure forever. Fully convinced of the necessity for the closest cooperation even over a long period in the future -- whatever way the political situation might develop -- I have been ready to accept every compromise, since the transfer to German authority, when all this would be changed, lay ahead. My attitude has been strongly influenced by the desire, to make no demands, which would be misunderstood or would not

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come about without objection anyway when we transfer to the German government. On the other hand, due to the present situation which postpones our legalization, there is the danger that the imputation of the American-dependence will gain more and more credence.

Every German parliamentary commission, if they could see the present nature of the cooperation of our organization with your service on routine matters, would look at it with German eyes and see the correctness of the view that we are, to all intents and purposes, dependent on the American side in our work confirmed, and come to the conclusion that the supposed autonomy of the organization is purely fictitious. They will take this position even if shown the advantages of American support in Vienna and Berlin, as well as the value of the exchange of intelligence and the technical-scientific cooperation.

I should like to propose for your consideration the question of whether one could not, looking more to the future, change the policy here. The German Government has been told that our organization is seen from the American side as the future GIS, which for the time being is under American trusteeship. The Government has accepted this idea and has officially declared to me, that at a time as yet to be determined, when it is politically opportune, the organization will be taken over as the GIS under my leadership. I need not emphasize the meaning of the fact that the future GIS, as a result of its long cooperation, will have a thorough understanding of the interests of the American Intelligence Service, or that the United States is the one truly sincere ally of the German Federated Republic. Why shouldn't one take the step now, anticipating the future, and give our service a real independence and freedom? Why cannot one place a fixed budget at the organization's disposal and leave it to me how these funds are to be used? I believe I have had enough experience, and I am convinced that, under such a system we could serve you better than at present. If such a procedure is not agreed to, the details of which I do not wish to discuss, then — if the political situation goes in a certain direction, which is particularly unfavorable — the argument of the dependence on

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the United States will have so much weight that the transfer of the organization will no longer be possible. In such a case there would be only one way left open, to dissolve the organization. Any continuation of the work in such a case, on any other basis, would be impossible for every good German.

I leave it up to you as to how you wish to use these thoughts. Perhaps it would be worthwhile to discuss them with General Truscott at an opportune moment.

With best wishes, etc.

s/o Schneider (Gehlen)

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23 July 1953

Proposals for Cooperation with the Allied Side

I. General:

- 1) Increase the responsibility on the German side within the limits of continuing requirements and the funds periodically provided therefor.
- 2) Adequate and timely orientation of the allied side on the operational and organisational measures planned and undertaken within the limits of this responsibility.
- 3) The right of veto by the allied side whenever special American interests are touched upon.
- 4) Continuation of support bases by the allied side, whether it be in West Germany (as long as official support is not yet operative), or whether it be in the areas under allied control such as Berlin and Vienna as well as the communications channels to those places.
- 5) The same goes for support in the technical aids field.
- 5) Close cooperation in an exchange of operational information and on name checks basis of exploratory operations in the field.

Provision of basic and current information for our work from the allied side. (Information - exchange)

II. In Detail:

The following are proposals for changes:

A. I(ntelligence) Operations

- 1) Acceptance of operations and initiation of operations in the investigation of Russia and the Satellites

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will be on 30's (Gehlen's) orders, with the free disposal of the funds now actually provided. (i.e. Transferability in case of operational necessity).

2) Reporting to 25 (Critchfield) in the form of:

Audit records
Initial plans for special operations
Bi-monthly operational reports, as well as monthly accountings

Important changes will be given orally in between times. The accounts will give the particulars regarding developmental as well as operations funds.

By keeping suitable records (statistics, etc.) 50 (Positive Intelligence Chief) will keep a running performance-control. These records can be viewed by 25.

B. Radio Sector:

1) All reports concerning initiation, training status and the final disposition of radio-agents will be transmitted through 50 (Positive Intelligence) as the tactically responsible office.

36 (Commo Officer) will transmit the signal plans with the keying materials.

2) The transmittal of:

Radio countermeasure reports,
Hochwald-Reports with records,
Technical signal situation reports on radio information reports, as well as,
All the raw material (Daily reports and conversations) will cease.

3) The following reports - which can be definite in part only - will cease:

Monthly advance reports of radio traffic from 236 (Special Intelligence) and 34c (Asst. Chief of ZIPPER Commo)

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Daily reports of the actual and attempted radio traffic by 136 (Agent Radio)
QRX reports from 136
Coded texts of received and transmitted agent-radio contacts by 136
Reports from 236 of the number of items received, the so-called "Hennecke"!

The end of this reporting indicates a freedom for tactical decisions.

C. Administration:

The responsibility for the final accounting within the limits of the budget-plan lies with 30 (37), (= Gehlen and the Chief of his Administration Group). On the expenditure of funds 25 will be given a running account. Furthermore, 25 will receive the audit records.

As a result the following simplifications will arise:

- 1) The basic decision will be with 30 (37) (Especially important, not merely an apparent impression (trs. note: "of German control") in an investigation of the organization by a parliamentary committee.)
A veto by 25 on any basic decision always possible.
- 2) Discontinuance of the daily presentation of vouchers.
- 3) Presentation of accounts as a collective accounting, in this a separate statement for each account, as well as a collective statement for the total disbursements from all accounts (lessening of the number of copies of the accounting from the previous four copies to two is desired).

(Trs. note: The above is admittedly rough and probably in error. The interpretation of the original is difficult due to ZIPPER terms and the abbreviated style. [redacted])

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PO B

Date 10 NOV 1953

INFO: COM

To : Chief, EE
From : Chief of Base, PullachSUBJECT: GENERAL OPERATIONAL
SPECIFIC- Functional Chart of the Pullach Operations Base

1. The attached chart is submitted to give both Frankfurt and Washington staff members interested in the problems of POB a better understanding of the organization of POB. Since the KUBARK/ZIPPER relation is fluid and ever-changing, the utilization of KUBARK personnel assigned to handle the ZIPPER project is constantly undergoing change; the attachment is accurate as of 1 November 1953. It is intended to show the general distribution of staff effort; no effort should be made to adjust it to the current POB T/O.

2. Factors which have influenced the staff organization and distribution of effort:

a. The ZIPPER problem becomes more complex as each year passes; crossed lines with other KUBARK units increase in number and become more serious; new offshoots of ZIPPER activity and KUBARK interest have appeared.

b. A build-up of information in the form of (1) POB files and (2) accumulated experience with the POB staff has increased the potential of POB to coordinate ZIPPER activities with those of KUBARK and other agencies.

c. Continuity in the POB staff has raised the level of experience and permitted decentralization of responsibilities.

d. The number of KUBARK staff members at Frankfurt and Washington who have developed active interests in POB/ZIPPER has increased manyfold over the past two years. The weight of headquarters interest has been felt primarily in the administrative field; with two exceptions, War Planning and CI/CE, policy and operational guidance from higher headquarters has remained almost a static factor for the past three years.

e. Liaison activity has increased gradually; increased attention to relations with the Armed Services and HICOG has been necessary to eliminate unnecessary friction. Much of the burden for accomplishing this by direct liaison has fallen on the POB staff.

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MAR 1949
5 Nov 53

Encl. 1

Functional Chart

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f. The production of intelligence is our primary mission; the maximum number of senior and experienced personnel must be left sufficiently free from policy, liaison and administrative problems to pursue this objective.

3. Comments on the functional chart:

a. The Administrative and Logistical staff has been changed a little; in general it is congruent with German administrative staff organization. Although Finance is within this framework, the Chief Finance Officer deals directly with the Chief of Base on budget matters.

b. You will note that the EGKs and EGLs are reproduced and pouch'd in an office subordinate to [REDACTED], the 25.30a on our chart.

c. [REDACTED] (25 Log) works closely with [REDACTED]. Between them they "run" the Base administratively and do an excellent job of it. Lorick is also our official liaison man to the local military authorities.

d. [REDACTED] (25 Sec) is the Base Security Officer with many additional functions. Until recently he was part of our CI/CE staff. His function fits more properly under the Administrative staff. [REDACTED] is responsible for all physical security matters; conducts field inspections of joint ZIPPER/POB field installations; is our local expert on technical and audio surveillance equipment; and assists [REDACTED] in Evacuation Planning. He is our local liaison man to CIC and several other local offices.

e. The Plans and Liaison Officer directly subordinate to the Chief of Base is a new and more accurate title for the position formerly held by [REDACTED] and more recently by [REDACTED]. He is doing all POB planning for eventual movement of POB out of the Pullach Compound, for the future liaison arrangements with UPSWING, for legalization of ZIPPER and related matters. Liaison with Bonn, contacts with the remnants of Staff 35 and the Staff 60 element also occupy some of his time. As a practical matter he has more contact with @MERKER than anyone else on the POB staff.

f. The key position on the ZIPPER staff from a professional viewpoint is 30b. The coordination of collection operations, CI/CE and evaluation activities has always been neglected on the ZIPPER staff. Since both UTILITY and @MERKER were, at the same time, concerned with day to day guidance of Bonn liaison, liaison with Western Services, communications and radio intelligence matters, stay-behind and war planning and a number of other miscellaneous items that fall outside of the purely administrative field, the coordination of the actual clandestine operations and processing of the results fell into a state of neglect. The lack of a strong man with full responsibility in this field

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(30b on the ZIPPER staff) gradually resulted in the administrative staff of ZIPPER (headed for the past five years by the brilliant, capable and energetic @WENDT) exerting too great an influence on the not-too-well-organized intelligence structure. To correct this UTILITY appointed @KUEHNE, for several years the chief of ZIPPER 50 (positive operations), to the 30b slot with full authority to run the show. We welcomed this decision and agreed with UTILITY's choice. While @KUEHNE is well disposed toward the Americans, he still drives a hard bargain and his loyalty to the organization is above question. On the whole we have found him a good man to deal with. Cooperation between POB and the ZIPPER 50 staff has been achieved with little friction; the relationship between [REDACTED] and @KUEHNE, at the 50 level, has been excellent.

g. Another development that has indicated the need for the 30b position has occurred in the collection/evaluation process. For at least a year, there has been a noticeable overlap in the POB operational and evaluation channels to ZIPPER; it has been increasingly difficult to determine whether [REDACTED] (as the operations man) or [REDACTED] (as the evaluation man) should take target/source problems up with ZIPPER. This is, of course, related to the basic decision made here a year ago to establish target folders and key all source and reports information to these folders to establish a basis for future KUBARK/UPSWING liaison. In short, the old 25.50 and 25.45 functions at POB have been in the process of merging and the functions of [REDACTED], now elevated to the 25.30b task, and [REDACTED], recently assigned to POB to the old reports and evaluation slot being evacuated by [REDACTED], are now reflecting this change.

h. In the positive operational field there is not much change. [REDACTED] is still handling everything connected with DDR and Soviet operations. [REDACTED], backstopped by [REDACTED], is handling Polish and Czech affairs. [REDACTED] is handling all matters of Austria and Balkans interests plus several CE cases that arise out of Austrian activities. All of these people are very busy and doing useful work.

i. The CI/CE activity of ZIPPER has improved steadily in terms of both quantity and quality for the past year or so. The same is true of political intelligence which falls under the CI/CE roof in ZIPPER. This is, we feel, a fine training area for young case officers; we have several in that category.

j. You will note that the Austrian field offices are "operational" under 25.30b, while the Frankfurt/Berlin offices are "administrative" under 25.30a. [REDACTED] has moved to Berlin.

k. Although the Armed Forces liaison officers are shown in contact with the Office of the Chief of Base, the day to day coordinate of their activities vis-a-vis ZIPPER are handled by the office of 25.30b. [REDACTED] and I have had a number of conversations recently regarding the whole problem of American intelligence officers, who, for one reason or another, visit Pullach to deal with ZIPPER. More coordination is needed and will be effected via the 25.30b office.

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1. [REDACTED], you will note, now has an across-the-board responsibility. Up until now he has been the only member of the POB staff who has stayed on top of the intelligence activities carried out within ZIPPER 40, 45, 50, 34 and 36 - at the same time keeping an eye on the ramifications of our liaison with other American intelligence efforts; he was the deputy for intelligence matters; [REDACTED] was the deputy for administration. As [REDACTED] takes over the responsibility for 40, 45 and 50 matters, [REDACTED] will be left free to coordinate 25.30b and 25.30a affairs with Communications, War Plans and our Registry and to independently carry out a few special operations on which [REDACTED] is the case officer.

4. The next significant change in the structure of POB will take place at the time that the major part of the CI/CE office and the POB registry and central files are moved to McGraw Kaserne in Munich as a POB rear installation. The timing of this is related to political developments. Left at POB will be (a) the administrative staff faced with the problem of liquidating the KUBARK administrative assets with ZIPPER and closing out the U.S. installation and (b) the nucleus of the future KUBARK liaison staff with the Munich element of UPSWING.

5. The final phase will see the liaison element move from Pullach to a liaison house in the Munich area to which UPSWING representatives can come to carry out semi-covert liaison with KUBARK. Also, we envisage the need for perhaps one operational apartment for selected clandestine contacts with UPSWING.

6. A proposal for a liaison house will be submitted in the near future. We have a number of ideas on this subject. These will be discussed with [REDACTED] and [REDACTED] when they visit Munich in December.

7. Although the foregoing description of the present status of POB is somewhat sketchy, we hope that it will be helpful. [REDACTED] can be filled in on the details during his visit to POB.

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INTERNAL ROUTING SLIP

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TO:

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805	823	837	851
807	827	839	853
809	829	841	855
815	830	843	860
817	831	845	862
819	833	847	864
			File

DATE:
SUBJECT:

ORIGINATED BY: 815

Several Special Commissions
show up as required
HAR types in [REDACTED]
report, Time Changes,
in NEUMANN Circle
but to be on solid
ground think it best
to limit our facts
to known 2 upper Hys.
& fixed staffers. D.
you agree? [REDACTED]

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1954?

TO: EE

SUBJ: Former Nazi and SS Membership in ZIPPER

REF: ~~POB 6880~~

1. Over the years there have been numerous allegations made by various individuals and factions within the West German government to the effect that ZIPPER's ranks are heavily weighted with former Nazi and SS-types. In view of the fact that Nazism in the German Government appears no longer to be a problem of such primary concern, it would seem that a report dealing with the incidence of these elements within ZIPPER might well be made at this time by way offinalizing the matter.

2. Study of POB's () files which contain background data on nearly 600 ZIPPERites (about half of the known total of ZIPPER membership) reveal 76 ZIPPERites known to have been either former SS, SD, SA members, NSDAP members, War Crime offenders and/or a combination of same. The 76 who fall into the above category represent about 13% of the ZIPPERites whose background is known to us.

3. It will be remembered (EGLA 6880) that UTILITY gave us a copy of a chart used in his presentation before the EDC Parliamentary Committee, 11 Dec 53, to show the extent and number of former SS and SD personnel within the ZIPPER complex. A summary of these figures, which we considered a fairly accurate statement of the facts (since copies of ZIPPER personnel statistics are on file in [] office), show that of 1102 ZIPPERites, 51 are either former Waffen SS and/or Allgemeine SS and SD. For comparison's

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sake:

UTILITY figures of
SS, SD & SA

51 out of 1102 ZIPPERites = 5%

POB Figures of
SS, SD, & SA

50 out of 600 ZIPPERites = 8% checked

From the above comparison we see that POB's records show only a 3% higher incidence of SS, SD and SA-types than did UTILITY's statement. In fact, from a review of our findings we find nothing to seriously refute ZIPPER's claims "that in terms of SS and SD percentage they are better off than most UPGROWTH ministries."

4. By way of further comparison it is interesting to note figures recently compiled by [REDACTED]/Bonn from Berlin Documents Center records which show that the present Bundestag has 129 or 26.5% former NSDAP members. UTILITY in a memo dated 8 March 1950 to [REDACTED] stated that:

"Of all full time coworkers of the staffs of our organization (including District Agencies), 28 percent of the 785 coworkers in question were former members of the NSDAP."

We may consider UTILITY's 28 percent figure to be a fairly conservative one in view of the fact that our own [REDACTED] study (para 1) shows up only 13% ZIPPERites in all former Nazi categories.

5. This report deals with numbers and percentages in an attempt to be as factual as possible. There are, however, certain individuals still in the employ of ZIPPER whose records appear from a qualitative

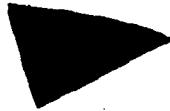
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standpoint particularly heinous; and for said reason a brief synopsis of each has been attached. We feel it is a bit late in the game to do anything more than remind UTILITY that he might be smart politically to drop such types.



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FLEGEL, Arwed

@ Alfred FRIEDMANN
@ Hans MIGSCH
@ Hans NIETSCH

B. 8 Oct 1914

Occupation: Zweigstelle 4 (CI/CE)

1933 - Joined Allgemein SS
1935 " Waffen SS
1936 Sturmann SS
1937 Rottenfuehrer SS
1939 Uschaf SS
1941 HPTschaf SS
1943 Ustuf SS
1944 Ostuf SS

In 1935 FLEGEL chose the Waffen SS as a career and at the time of the capitulation held an important administrative position in the SS-Sanitatshauptamt, Berlin. Escaped from Neunegamme where interned with other SS leaders. Escaped with Heinrich SPRINGER who interested him in de CHELARD who hoped for revival of some form of National Socialism. De CHELARD wanted to collaborate with anti-Bewegung, an organization allegedly formed by some European intellectuals aiming at a United States of the World. FLEGEL went out of his way to establish fresh contact with his SS comrades to solicit their support for anti-Bewegung.

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FRIEDE, Willy Heinrich

@PAX, Frank

B. 30 Sept 1917, Arendsee

Occupation: Org position (original) GVH; V-2835

1 Oct 1930 - Entered NSDAP
 SS #J 1498
 SS rank - Obersturmfuehrer, May 1939
 HJ Membership 1929-31
 SA " 1930-32
Employed by HJ (since about 1937):
 HJ rank: Bannfuehrer
Holder of Golden HJ Badge und Totenkopfring

Since 1 Jul 44 Belonged to Reichsleitung, Einsatzstab des Reichsleiters Rosenberg (Sonderstab "Wissenschaft")

Pre-Hitler organizer of Youth groups
Was groomed for deputy Gauleitership when Hitler came to power.
Held high party rank - became inspector general of W. German Hitler Youth. Considered one of most successful Nazi youth leaders.
He has stated openly he was not de-Nazified and did not desire to be, only read denazification being one of inner compulsion.
After war soon met ZIPPER interests. FRIEDE considered actually working head of ZIPPER Rome group under Hans GEHLEN. Tasks:
1) Order of Malta connections;
2) CI work in former German SS circles;
3) Vatican connections.
List effective 10 April 51 included FRIEDE as Special Connection S-1936. Active in Ruhr in framework of GVL and a staff contact of Sec 122's @KLAUSNER.

Jan 53 POB saw original report of V-2835 who works in Dusseldorf/Duisburg area under cover of Nordwest Deutscher Rundfunk, correspondent or executive.

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FIEBIG, Conrad

V-7038

@Konrad FIEDLER
@Konrad FISCHER

B. Sept 22, 1909, Breslau

Occupation: Section 161 (Dienststelle GVH); transferred to Sect 88C,
Stuttgart (old 33 KU, Stuttgart)

In May 1946 CIC submitted request subject's apprehension. Charges:
1st Lt in Allgemein Schutz-Staffel (Elite Troops, SS) and a Kriminal-
kommissar in Gestapo at Breslau.

FIEBIG also a Justice of a Sondergericht (Summary Court) and allegedly
was responsible for many mass executions (EGQA 49744).

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SOMANN, Otto

LANGE, Otmar

B.

Occupation - Org: Dienststelle 161 (GDR-Poland Oos)

1926

- SA-mann

1926-31

"NSDAP - Ortsgruppenleiter"

1931-44

SS Units - Oberfuehrer

1944

Inspecteur der STPO und des SD in Wiesbaden

AWARDS:

Golden Party Badge

"Dienstauszeichnung der NSDAP in Bronze und Silber"

SS Totenkopfring und bearer of SS Ehrendege

Kriegsuerdienstscreuz I Klasse mit Schwerten

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NELLHOENER, Karlgeorg

@WOGE, Karl

B.

Occupation: Org Dienstelle 11 (GDR-Poland)

1931	- NSDAP
1931-32	SA-Scharfuehrer
1932-36	Allgemeine SS - Untersturmfpuehrer
1936	Sicherheitsdienst der SS - Hauptstrumfuehrer
1937-40	SD, Berlin Div
1943	SS H/Stuf (Major)

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A Policy

19 JAN 54

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT: Resumé of Developments in ZIPPER/CIA/West German Government Relations

1. The attached dispatch (EGLA-6880) presents a picture of developments in the ZIPPER legalization picture from October 1953 to the present. The major development within the period has been the rapprochement between Theodor Blank and General Reinhard Gehlen. This has resulted in improving the chances for an early legalization. At the same time it has increased the likelihood of a solution which may put the GIS under greater Defense Ministry control.

2. The immediate result of the closer relationship was a closed meeting of the leaders of the West German Parliamentary EDC Committee on 10 December 1953 and an open meeting the next day at which General Gehlen discussed his organization. By all accounts this was a successful maneuver. General Gehlen acquitted himself well and gained the support of the Committee members. Fritz KREMER, the leading SPD member of the EDC Committee, allegedly went so far as to state that he favored integration of ZIPPER at the earliest opportunity and believes that financing should be provided from allocated but unspent "occupation cost" DM.

EE Comment: This proposal was discussed with the Chief, PCB by [redacted] and it was concluded that payment from Occupation Costs was neither feasible nor advisable. Theodor Blank also feels interim financing would meet strong parliamentary opposition.

3. The various views expressed to CIA officials by General Gehlen, Theodor Blank, General Adolf Heusinger, Graf Adolf von Kielmannsegg, et al. do not differ on the basic points, however, there is still a difference of opinion. There is general agreement that ZIPPER should be legalized and independent of American financing. The form of the legalisation is still a matter for dispute. Part of the trouble is semantic. As the Chief of the Bonn Base notes on page 7, we

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and General Gehlen are probably clear as to the distinctions between centralized and military intelligence, collection and evaluation. The other principals, Blank and members of the Parliament, for example, are not clear on these questions.

4. Whatever the points of agreement there is a clear conflict of interest between Blank and Globke. Whatever the future status of the German Intelligence Service, Blank apparently, wishes to be in control of the transfer. On 17 December 1953 Blank approached Tony Pabsch, Liaison House, HICOG with a request that Pabsch determine the United States reaction to (a) the transfer of ZIPPER to the GDI in early February 1954 and (b) United States willingness to continue to assume part of the financial burden as an interim arrangement 60 to 120 days after the transfer to permit the GDI to obtain its own funds and cabinet approval. Blank was later advised that he should discuss this with Globke.

5. Blank plans to persuade the German EDC Committee to recommend that ZIPPER be taken over by the GDI. Although he has stated that the decisions as to future location of the GIS within the governmental structure are for the executive, he has expressed the view (apparently held by some members of the EDC Committee) that he would like to see ZIPPER under his office since "(a) the Bundestag would oppose placing it under Globke, and (b) ZIPPER as the GDI IS would have to restrict itself to intelligence for defense."

6. Pressure from the [REDACTED] liaison representative, [REDACTED], also exists for subordination of ZIPPER to the Blank Office. [REDACTED]

[REDACTED] stated to a ZIPPER representative in Bonn that a solution to the legalization problem prior to ratification is possible by subordinating the ZIPPER complex to the Blank Office.

7. In summation it is well to point out that Globke and Adenauer have slipped into the background. Our desire for a centralized intelligence service under the chancellor is facing sabotage from Blank and the anti-Globke forces which desire subordination to Blank and the Bundestag. However, until Adenauer takes a firm stand we will not have a true picture of the political alignment.

PETER SICHEL
EE/FI

EE/FIG/Z/[REDACTED]
19 January 1954
Distribution:
Orig & 1 - Addressee
1 - EE/FI files
2 - EE/FIG/Z

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Zipper-Deg

10 February 1954

MEMORANDUM

TO : G/PI
FROM : ER/PI/G

SUBJECT: ZIPPER Deputy Chief, General von Mallenthin

REF : EGLA-7200, 21 January 1954

1. General Horst von Mallenthin has been relieved of his position in the ZIPPER organization as Deputy to General Gehlen. General Gehlen has given no forthright reason for this action, except to state that he will have little use for a permanent deputy since he plans to spend more time at Pullach exercising the role of chief. He also stated that he was thinking of sending von Mallenthin to Washington as his liaison officer.

2. In relieving von Mallenthin, Gehlen wants to strengthen his own control over ZIPPER. Over a year ago Gehlen informed Col. Critchfield that he was not particularly interested in the daily routine intelligence activities of ZIPPER, and that he felt his time could more profitably be spent on the German political scene as it affected legalization. There is no doubt that he has been successful in the latter. However, during that time von Mallenthin's strong personality has had considerable influence over the ZIPPER staff. No doubt Gehlen feels there cannot be two strong and forceful personalities at the helm.

DONALD HUEPNER

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12 JUL 54

INTERNATIONAL



European

Why Germans Will March Again

"One cannot say too strongly: The so-called alternative to the EDC is the German national army... We don't want it... We, as so many others, believe this would unquestionably lead to German militarism... It would be particularly ironic if France, by allowing the EDC to fail, should be directly responsible for the creation of a German national army [see cover] which she fears so much."

Chancellor Konrad Adenauer, France's greatest friend in West Germany, had never spoken so bluntly as in this radio interview last week. He warned Premier Pierre Mendès-France it was "completely unthinkable" to try to renegotiate the European Army treaty before it was voted upon by the French Parliament. He also served notice that his nation had "long since earned its sovereignty."

As he spoke, the Chancellor was aware of the historic decision taken by President Eisenhower and Prime Minister Churchill at the Washington conference to go ahead with German rearmament. Already their three-stage timetable was being put into effect:

► To give France one last chance to ratify the EDC treaty in its present form before the National Assembly's summer recess, scheduled for mid-August. After a lengthy talk in Paris with Belgian Foreign Minister Paul-Henri Spaak, Mendès-France predicted the EDC issue would be put up to the Assembly in early August. Spaak, like Adenauer, made it clear that France had to pass EDC in its present form or reject it before the National Assembly adjourned.

► To restore German sovereignty, either through the "peace contract" (this automatically becomes effective if EDC is ratified) or otherwise. This week American and British diplomats met in London to devise alternative means.

► To rearm Germany shortly thereafter—with or without France. There was some feeling, among American, British, and German leaders alike, that France would go along rather than default its Continental leadership to Germany.

In any case, the U.S. and Britain were now ready to proceed with the calculated risk of recreating the legions that twice nearly conquered all Europe. The following two stories give as complete an assessment as is possible today of what this risk involves.

New Army

Whether Bonn chips in its share to the European Defense Community or creates a German national army, it will use the same blueprint (see below). In either case, the ready-made plans of the Amt Blank (Blank Bureau, the shadow defense ministry headed by Theodor Blank), call for putting 500,000 Germans into uniform.

Four fifths of the German manpower will be used where the West needs them

most—as ground troops. Preferably they will wear the EDC's common uniform, almost a duplicate of the American except for color. Instead of the U.S. olive drab, it is to be "green," much like the brownish-green of the American officer's blouse. Possibly they may wear the traditional steel helmet. This is now donned for ceremonial occasions by the detachment of the 10,000-man border police that guards the chancellery in Bonn.

Those cynics who thought the *olive mich* (without me) philosophy would prevail in the new Germany have been proven wrong by the correspondence files in the Amt Blank's shabby red-brick building in Bonn. Although no recruiting is yet permissible, 140,000 men have already volunteered in writing. Beginning May 1, the Amt Blank began sending each volunteer a form asking full details about military experience and postwar life. Only a trickle of replies has yet come in, but a flood is expected as soon as Bonn is allowed to rearm.

Only half of these volunteers will be acceptable, politically or otherwise. Some

German Rearmament—the Blueprint

► Army: 400,000 men. Twelve divisions—six infantry (13,000 men each), four armored (12,700), two mechanized (also 12,700, including a tank regiment to strengthen this basically infantry outfit), plus supporting troops. To be led by 60 generals, 300 colonels, 20,000 other officers. One-fifth of manpower to be professionals; the rest to be drafted for eighteen-month terms. Timetable: Training and build-up to take two years.

► Air Force: 80,000 men, 1,400 aircraft. Twenty wings—ten wings of tactical

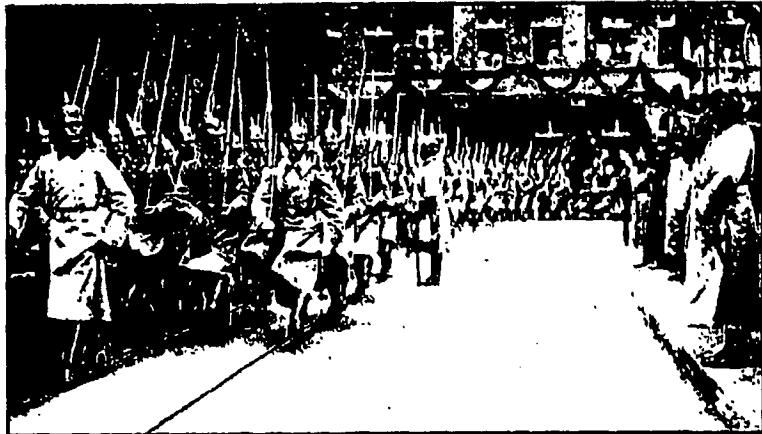
fighter-bombers, five of fighters, five of transport, reconnaissance, and liaison planes. No long-range strategic bombers.

► Navy: 20,000 men. Confined to vessels of less than 1,500 tons. For mine sweeping and coastal defense. No U-boats.

► Logistics: Stockpiling of American matériel for German use has been under way for some time. Much is stacked in mammoth supply depots in the Kaiserauern triangle west of the Rhine. Total cost to Bonn of the two-year build-up period: Between \$8 and \$11 billions.

Newsweek, July 12, 1954

INTERNATIONAL



Gone but not forgotten: Kaiser Wilhelm II reviews the Imperial Army . . .

50,000 of them are ex-officers; less than half that number will be needed. Some 35,000 are ex-enlisted men; those who have not grown too old and too flabby should be good noncom material. About 15,000 were too young to fight in wartime. The rest are onetime civil servants of the old Wehrmacht and over-age officers who, in conformity with German custom, want to work on the civilian side of the military machine.

Starting out with such volunteers, a 100,000-man cadre will be trained, perhaps outside as well as inside West Germany's borders, during the first year of rearmament. After one year, selective service will be used to build the outfits to full strength with eighteen-month draftees. More than one third of the draftable youths will be found unfit for military service. Their health was irreparably damaged by the miserable living conditions between 1944 and 1948, when they were 10 to 14 years old.

All the usable members of two full draft classes will be needed to meet the present goals of German rearmament. That is also all that West Germany's national economy could afford at present, without drastic cutbacks of welfare and investment programs.

New Spirit: Chancellor Konrad Adenauer and his presently dominant associates insist that the newly rearmed Germans have a new spirit. As a Rhine-land politician, *Der Alte* (The Old Man) flaunts his instinctive distrust of both militarists and Prussians. He never served a day in the Kaiser's or Hitler's or any other man's army.

The old-fashioned Prussian *Kommiss*, an untranslatable term connoting the extreme aspects of spit-and-polish, is slated to be junked. So are the goose step, the endless parade-ground drilling, and the iron-fisted rule of 'noncoms.'

An almost fanatic will has arisen among many politicians to put the military under effective parliamentary control for the

first time in German history. They aim to keep the armed forces completely out of politics. They want no uniformed intriguers such as Gen. Kurt von Schleicher, the last Chancellor before Hitler. They prefer the nonpolitical approach, in the Weimar era, of Gen. Hans von Seeckt—without his pro-Russian policies and ruthless planning for more war.

New Command: There is no room for one over-all German military commander in the EDC plan. Most of the wartime marshals who might covet such a job, anyway, are dead, like Rommel, Rundstedt, and Brauchitsch, or convicted of war crimes, like Manstein.

Instead the new German generals are going to be little-known men. Most of them will be former colonels and majors, newly promoted to rarefied rank. A smattering will be second-drawer generals whose names were not blackened by the Nazi tar.

Such top-ranking officers will be picked by a special board of old military professionals, leavened with leading civilians to assure political cleanliness. Lower-

ranking officers will be chosen by all-military boards in accordance with rules laid down by the top-level mixed board.

These field commanders will be called upon to lead the twelve German divisions and, assuming a fair division of the higher commands among the EDC nations, three or four corps. Among the politically sound ex-generals who might be tempted to fill such spots are tank experts Walter Wenck and Count Gerhard von Schwerin.

But not many men of this caliber are likely to be lured back into uniform. Many are making much more money working for Ruhr industrialists than they could in any army. A very senior general would probably be paid only about as much as during the last war—perhaps \$400 a month.

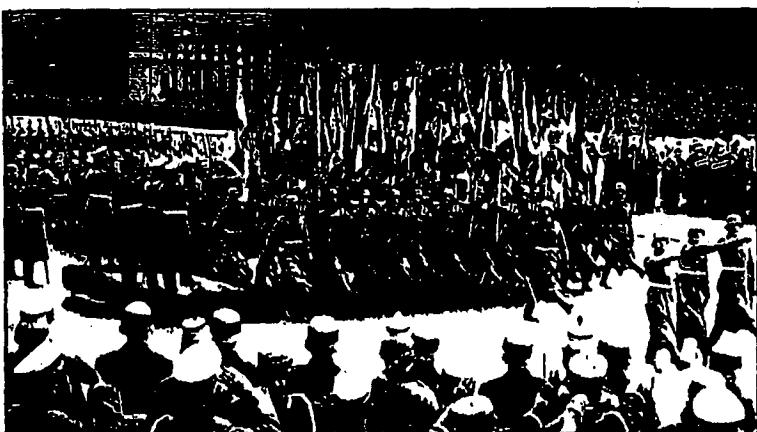
New Leaders: Some key staff spots also beckon under the EDC blueprint. Among them:

►**EDC Military Delegate:** This post, in effect, is the training commander. The military delegate to Germany, like his opposite numbers in the other EDC countries, will be appointed by and subject to the orders of the EDC commissariat. Best bet: Gen. Ludwig Crüwell, successor to Rommel as Afrika Corps commander. He spent much of the war as a British POW.

►**Representative on EDC Staff:** Just what slot will be filled by the top-ranking German has not yet been decided. In any case the logical candidate is Gen. Adolf Heusinger, a veteran of the general staff. A survivor of the July 20, 1944, plot to assassinate Hitler, he has worked on the planning of German rearmament since it began in 1950.

►**Liaison Officer With SHAPE:** The post of ranking German liaison man between EDC and SHAPE appears earmarked for Gen. Hans Speidel, another veteran planner of German rearmament. Once Rommel's chief of staff, he was also a July 20 plotter.

►**Military Chief in Bonn:** The likeliest



. . . and Der Führer salutes his goose-stepping Nazi legions

Rueppen Photo
Newsweek

INTERNATIONAL

choice to head the military department of the defense ministry, in charge of the 180 to-be-uniformed men there, is Count Johann Adolf von Kielmannsegg, an ex-colonel of the general staff. The leader of reformist elements in planning the new army, he seems to have emerged victorious in nasty wrangles with old guardists.

►Defense Minister: The chances are that the Amt Blank will still be accurately called by that name when it finally becomes a full-fledged defense ministry. Theodor Blank, 48, wears a bluff exterior—rumpled-looking clothes, grating voice, extravagant gestures—that suits his background as a onetime carpenter who became a union boss. Kicked out of the unions by the Nazis, he went to high school in his 30s, won honors in Latin and Greek, and took two years of college work before he was called into the army. Blank won a battlefield commission but never rose higher than first lieutenant.

Some of Blank's critics say he stands in awe of the generals and colonels who now work under him. Some of this same brass grousing that his tight-fisted administration leaves the Germans at a social disadvantage with their potential colleagues in EDC. At any rate, he apparently stands well with Adenauer.

New Weapons: It is little but manpower—whether privates or generals—that West Germany has to offer in the immediate future. It is barred at present by occupation law from doing much for itself in the way of military production. The Germans can make uniforms, trucks, and technical equipment. But, as yet, even small arms are *verbotten*. And it will take anywhere from one to two years, after Germany is permitted to rearm, to get into real production.

Tanks and artillery will take twice as long, except for component parts. Airplane manufacture appears destined to be forbidden indefinitely. So do atomic, bacteriological, and chemical weapons.

Many Ruhr magnates are reluctant to get back into the arms business at the expense of giving up juicy contracts to export civilian goods. But they will do so, as a psychological and political necessity.

Even though the Ruhr lies a bare 100 miles from the Russian zone of Germany, to leave it militarily unproductive would be to suggest the West would sacrifice it without a fight in the event of a Red attack. And the Germans themselves have loudly demanded that the *Vaterland* be defended—not liberated from the Soviet scourge at some later date.

General Staff

The development in connection with German rearmament that Western observers and enlightened Germans will watch with great care is how a general staff is constituted or what is evolved in its place if there is no general staff.

July 12, 1954

The concept of the modern general staff was developed by a German, Field Marshal von Moltke, the hero of the Franco-Prussian war. The great General Staff that emerged reached the peak of perfection during the first world war. Theoretically above politics, it actually had a decisive effect on policy in the period between the wars. The general staff early established contacts with the Red Army and in the 1930s Russia became a gigantic training ground for the Wehrmacht. The staff was the particular enemy of Hitler although he discovered he could not wage war without it. It was within the staff that the attempt to assassinate the Führer was planned.

Greatest Danger: The Germans—especially survivors of the July 20 plot—themselves are foremost in recognizing that the greatest danger in rearmament lies in the re-creation of the general staff. The reason is simple. A new general staff could conceivably make a deal with Russia in secrecy and suddenly confront the West with a combination that a good many German officers and military theorists still believe could conquer the world. EDC offers the best and perhaps only safeguard against this possibility. The

German staff would be merged with the staff of the European Army. German officers could hardly carry on secret negotiations with the Russians and if they attempted they would lack the power to make their plans effective.

The old general staff was shattered by Hitler and defeat although the grand tradition lingers in some minds. The sole nucleus on which the Germans could build is called the Organization Gehlen. This represents only one phase of staff work—although perhaps the most important—intelligence. The Gehlen group is of considerable size and its headquarters are in the village of Pullach, some 10 miles south of Munich. An 8-foot barbed-wire fence surrounds a self-contained community of about 30 acres with its stores and schools. It is named after its chief, Brig. Gen. Reinhardt Gehlen.

Expert on the East: Gehlen is now in his early 50s, slender, of medium height, with sparse blond hair and a toothbrush mustache. He is very correct and military in bearing and inclined to be humorless in the tradition of the military monks of the general staff. He switched from the artillery to the staff and during the war was head of *Fremde Heere, Ost*,

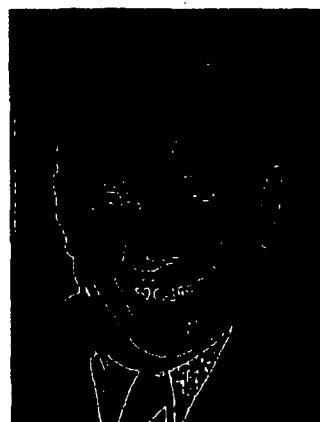
German View of Arming

Theodor Blank, chief of Bonn's quasi-defense ministry, outlines his concept of the new German army in this statement for Newsweek:

"The rearmament of the Federal Republic of Germany, for which I and my staff have been planning for three years, was not a German idea. It was the Western Powers who decided that German troops were necessary for the defense of Europe. For a long time, there was a widespread and genuine feeling of reluctance in the German populace. That idea has now been largely overcome.

"The German people are still far from anxious to take up arms again after two disastrous wars in this century. But they know where their duty lies. They are willing to do it.

"I cannot emphasize too strongly that future German armed forces are not going to be like those of the past. They are going to be far different from those in which I and millions of others served barely ten years ago. We are not going to permit Nazi-style radicals or other extreme nationalists to gain control. The traditional so-called 'Prussian' type of Wehrmacht will not be reborn. The future German forces will, instead, be patterned after



Blank: No Prussian Wehrmacht

the more flexible American model.

"Our military contribution will be integrated with those of other democratic Western nations. Under these conditions, no nation need fear that the West German forces will serve any cause other than that of Western defense. And the rest of the world may be sure that our men will perform their tasks in a sincere cooperative spirit, efficiently and to the best of their great abilities."

INTERNATIONAL

Rockwell Report

by W. F. ROCKWELL, JR.

President

Rockwell Manufacturing Company



INDUSTRIAL ENGINEERING HAS COME A LONG WAY since the days of the "efficiency expert" with his stop watch and slide rule. Through the years it has increased its technical knowledge enormously, broadened its understanding of its over-all function, and learned that people are not machines.

But has management's concept of industrial engineering's usefulness grown as fast as the industrial engineer's ability to serve? When there is a visible bottleneck, or unmistakable evidence of waste in an operation—that is too often the point at which the industrial engineer is asked to function.

Without denying the need for and value of emergency first aid in such situations, we feel that long-range preventive medicine is immeasurably better. We know it pays to have our industrial engineering department in on the very early planning stages of a new product, for instance. By being consulted before rather than after the fact, it is better able to help coordinate every step—from product design through selection of production equipment, methods, and including production-line maintenance—to achieve lowest possible unit cost consistent with high quality, and worker safety.

Worker safety, incidentally, is always a major consideration of our industrial engineering department in streamlining operations. In the last analysis, the greatest asset of any company is the people who are the company.

Having customers discover subsidiary markets you hadn't counted on for a product is like getting an unexpected dividend check. We've already reported on the number of woodworking hobbyists who have bought our new Delta 10' portable radial saw, which was designed primarily to meet the needs of home builders. A gratifying switch on that is the way home builders are buying our DeltaShop which, as you know, was designed primarily for home workshops. Because the DeltaShop is a compact one-motor combination of builders' four basic woodworking tools—circular saw, jointer, drill press, and sander—they find it ideal for the interior finish work both on new houses and remodeling jobs.

On the outskirts of Pittsburgh, we have opened the world's largest meter and valve testing station built expressly to reproduce actual operating conditions. The installation was designed to test meters and valves used in the measurement and control of gasoline and oil, water, chemicals, beverages, and other fluids. It answers a problem which has always confronted meter and valve manufacturers—that of reproducing actual field conditions for testing purposes. Until now, manufacturers in this field have depended primarily on testing facilities within their plants, which were unsatisfactory because only non-flammable fluids could be used for tests.

Another function of the new test station is to advance research and development of metering devices that will make possible more accurate auditing and accounting in fluid product industries, at all levels of distribution.

Demonstration of industrial machines at the prospect's plant is always a problem—but nothing is more effective in proving a sound sales claim. A salesman for one of our industrial dealers has developed an ingenious car-trunk operating display to demonstrate the new self-contained Rockwell air-hydraulic drill units. He drives to his prospect's office, plugs a 50-foot cord into any ordinary electrical outlet, and gets an air supply from a built-in storage tank. Then a dial indicator proves the extremely sensitive and reliable precision depth control of the drill unit in high speed production machining operations.

One of a series of informal reports on the operations and growth of the
ROCKWELL MANUFACTURING COMPANY
PITTSBURGH 8, PA.

for its customers, suppliers, employees, stockholders, and other friends



Adenauer doesn't like soldiers

the intelligence section dealing with the Russian front in the German Army high command (OKH). He was captured by the Americans in 1945 and since then has used his immense knowledge of Eastern Europe to set up his organization. Western experts consider the information produced by the Organization Gehlen as good as that from any source.

The organization has expanded its activities beyond the East. It has agents and contacts in Western Europe, the Balkans, and the Middle and Far East. It receives valuable voluntary cooperation from German businessmen throughout the world. It also has produced some internal intelligence on German matters. This was conveyed to Chancellor Adenauer through Hans Globke, one of the Chancellor's chief aides, but there is now reason to think that Gehlen has abandoned these internal activities. Rivalry between Gehlen and other German security outfits also now appears to have been satisfactorily resolved. The Communist press in East Germany has charged that the Gehlen group is financed by the U.S. for purposes of super-espionage.

Gehlen Futures: On Dec. 11, 1953, Gehlen himself appeared before a secret meeting of Bundestag deputies and scored considerable personal success. However, a bitter behind-the-scenes struggle is being waged in Bonn as to the future of the Gehlen group. Some of it

Newsweek

may be transferred to EDC, if there is an EDC. There are also two plans:

1—Make the organization the G-2 (in German nomenclature, 1-C) of the Amt Blank. This course, naturally, is favored by Blank himself. It is strongly supported by parliamentary leaders. The Gehlen group would then be under the direct supervision of the Bundestag committee to which the new defense ministry will be responsible. Only thus, the deputies feel, can they keep a check on any tendencies of the Gehlen organization to try the old general staff tricks.

2—Put the group under Chancellor Adenauer's office. Bundestag members strongly oppose this because there would be no direct parliamentary control; because they feel the Chancellor himself dislikes soldiers so much that he wouldn't keep in sufficiently close touch with the officers (one distinguished commander recently said: "Adenauer likes soldiers the way he likes fleas"); and because they distrust some officials in the chancellery. Nonetheless, last March a tentative agreement was reached to put the Gehlen organization under the chancellery and the Finance Ministry agreed to foot the cost—between \$4.5 million and \$5.5 million per year.

Adenauer is now reported to want to delay any decision until he is certain that none of Gehlen's information would have to be shared with the French—as might happen now. The Chancellor's attitude is based on the knowledge that French intelligence agencies have been sadly infiltrated by Communists. It also illustrates, in a small way, some of the difficulties that will arise if and when the French and Germans have to cooperate in a common European Army.

Secret
REL Ger

CLASSIFIED MESSAGE

**SECRET RELEASE
TO GERMANY ONLY**

DATE : 12 JUL 54

ROUTING	
1	FIZ
2	FIBS
3	CHANCELLOR
4	POL
5	CITE
6	REDOOR

TO : DIRECTOR

FROM : BONN

JUL 13 1954

ACTION: **EE 6**

INFO : DCI, D/DCI, DD/P, COP, FI, FI/OPS, FI/STC, FI/RI 2

[Handwritten signatures and initials over routing table]

BONN 1848 (IN 27177) 0305Z 13 JUL 54 ROUTINE

TO: DIR INFO: SFRAU, SPULL CITE: SBONN
CALL/ZIPPER

1. MEETING ON FUTURE INTELL ORG HELD BONN MONDAY 12 JULY
BETWEEN ADENAUER, GLOBKE, SCHAEFFER, BLANK AND SCHROEDER.

FOLLOWING INFO COMES FROM BLANK'S ADMIRABLY PROMPT
REPORT TO [REDACTED] HIS VERSION OF MEETING:

2. ADENAUER STATED FIRST QUESTION WAS DECISION ON ZIPPER.
THERE WAS UNANIMOUS AGREEMENT THAT COMPLETE ORGANIZATION BE TAKEN
INTO THE GOVERNMENT. THIS WAS ONLY POINT ON WHICH COMPLETE
AGREEMENT REACHED EXCEPT AGREEMENT THAT BFM REMAIN OUTSIDE THE
INTELLIGENCE ORGANIZATION AND RETAIN ITS CHARACTER AS NON-EXECUTIVE
INTERNAL SECURITY ORGANIZATION.

3. DISSENSION APPEARED WHEN DEFINITIONS WERE ATTEMPTED OF
SPHERES OF POLITICAL, ECONOMIC AND MILITARY INTELLIGENCE AND HOW
THE PROPOSED INTELL ORGANIZATION WOULD FUNCTION. THEY KEPT TALKING
OF THE ORGANIZATION AS A COMPLETE WHOLE. THEY DID NOT DIFFERENTIATE
BETWEEN COLLECTION AND EVALUATION NOR BETWEEN DEPARTMENTAL AND
CENTRAL INTELLIGENCE. GLOBKE PLUMPED FOR TAKE-OVER UNDER

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REL Ger
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S-E-C-R-E-T

12 JUL 54
BONN 1849 (IN 27177)

PAGE 2

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BUNDESKANZLERAMT. BLANK, SCHROEDER AND SHAEFFER OBJECTED AND INSISTED THAT PARLIAMENTARY CONTROL WAS NECESSARY NOT ONLY TO SATISFY PRINCIPLES OF PARLIAMENTARY DEMOCRACY BUT ALSO TO OBTAIN THE VOTING OF NECESSARY FUNDS.

4. ADENAUER APPARENTLY CONVINCED THAT GLOKKE PROPOSITION COULD NOT BE PUSHED THROUGH OVER OPPOSITION OF BLANK AND SCHROEDER (WHO COULD RALLY BUNDESTAG OPPOSITION). CHANCELLOR HIMSELF SEEMED TO HAVE NO FIRM CONVICTIONS OF METHODS OF LEGALIZATION. HE WITHDREW FROM THE ARGUMENT BY INSTRUCTING THE OTHERS PRESENT TO WORK OUT A POSITION FOR HIS DECISION. THEY WILL RE-CONVENE NEXT WEEK.

5. ALL PARTICIPANTS HAVE BEEN EXPOSED TO EXPOSITIONS OF NSC AND JIC TYPE STRUCTURES. THEY ARE THINKING IN TERMS OF SOME COMMITTEE WHICH WILL CONTROL INTELLIGENCE AND WHICH WILL INCLUDE AN ELEMENT OF PARLIAMENTARY CONTROL. IT MIGHT TAKE THE FORM OF A MINISTERIAL COMMITTEE (E.G. INTERIOR, DEFENSE, PERHAPS FOREIGN OFFICE) PLUS A PARLIAMENTARY JOINT OR ADVISORY COMMITTEE. UNDER THIS COMMITTEE UTILITY MIGHT HEAD A DIENSTSTELLE WITH THE RANK OF MINISTERIALDIREKTOR.

6. NOW IS OUR TIME, IF EVER, TO COME FORWARD WITH A SUGGESTION THAT COULD WORK WITHIN THE LIMITATIONS THEY HAVE ALREADY DECIDED I.E., SOME FORM OF PARLIAMENTARY CONTROL. BLANK HAS SPECIFICALLY

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S-E-C-R-E-T

12 JUL 54
BONN 1848 (IN 27177)
PAGE 3

**SECRET/RELEASE
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ASKED FOR OUR SUGGESTIONS. REQUEST HQS ADD ANY THINKING ON
SUBJECT IN LIGHT OF THESE DEVELOPMENTS THAT WILL SERVE OUR
INTERESTS WHILE FITTING THE GER PATTERN.

END OF MESSAGE

**SECRET/RELEASE
TO GERMANY ONLY**

S-E-C-R-E-T

REL Ger
Secret

ORIG : ALLEN W. DULLES
 UNIT : DCI
 EXT : 601
 DATE : 14 JULY 1954

**SECRET RELEASE
TO GERMANY ONLY**

ROUTING	
1	F16
2	C12
3	CIAHQ/DO
4	PPG
5	CTEC
6	INT/OCOP

TO : SR. REP., FRANKFURT
 FROM : DIRECTOR, CIA
 CONF : DCI (1)
 INFO : D/DCI (2), DD/P (3), COP (4), FI (5), FI/OPS (6), FI/STC (7),
 EE (8-13), FI/RI (14-15)

JUL 15 1954

12 JUL
1

DIR 09017 (OUT 61962) 2334Z 14 JUL 54

ROUTINE
PRECEDENCE

TO: SFRAN (SEPPINGS)
 INFO: SBONN, SPULL

CITE: DIR ()

RE: SBONN 1848 (IN 27177) meeting on future integrated intelligence service in Bonn, Germany

1. AS EFFICIENCY AND SECURITY OPERATIONS FUTURE GIS OF FUNDAMENTAL CONCERN TO US WE ARE NATURALLY INTERESTED IN DECISIONS AFFECTING ITS ORGANIZATION AND LOCATION WITHIN GERMAN GOVT. WE SHOULD HOWEVER AVOID ANY APPEARANCE OF INTERVENING IN INTERNAL GERMAN POLITICAL AFFAIRS. BELIEVE THEREFORE THAT WE SHOULD CONFINE OUR SUGGESTIONS TO RESTATEMENT OUR INTEREST IN STRONG INTEGRATED INTELLIGENCE SERVICE AND POINT OUT HOW WE OURSELVES HANDLE KUBARK RELATIONSHIPS TO EXECUTIVE AND LEGISLATURE RESPECTIVELY. AS REGARDS LATTER POINT WITHOUT OFFERING SPECIFIC SUGGESTIONS CONCERNING RELATIONSHIP GIS TO DEPARTMENTS OR MINISTRIES FEDREP AND/OR PARLIAMENT IT WOULD BE APPROPRIATE AND DESIRABLE TO MAKE SURE THAT PRINCIPAL FIGURES CONCERNED WITH DECISION ARE FULLY FAMILIAR WITH ADVANTAGES ACCRUING

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COORDINATING OFFICERS
SECRET

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(logged)

AUTHENTICATING OFFICER
Copy No.

Secret
REL Ger

ORIG : ALLEN W. DULLES
UNIT : DCI
EXT : 601
DATE : 14 JULY 1954

CLASSIFIED MESSAGE

SECRET

ROUTING

1	4
2	5
3	6

TO : SR. REP., FRANKFURT
FROM : DIRECTOR, CIA
CONF :
INFO :

- 2 -

SECRET/RELEASE
TO GERMANY ONLY

DIR 09017 (OUT 61962) 2334Z 14 JUL 54

ROUTINE
PRECEDENCE

FROM KUBARK TYPE ORGANIZATION UNDER EXECUTIVE BUT SUBJECT CERTAIN LEGISLATIVE CONTROLS OVER BUDGET, ETC. FORGOING SHOULD PROVIDE APPROPRIATE BASIS FOR REPLY TO BLANK TO WHOM KUBARK ORGANIZATION HAS ALREADY BEEN EXPLAINED.

2. IN ADDITION TO FORGOING YOU ARE AUTHORIZED ON SOME APPROPRIATE OCCASION TO ARRANGE WITH CONANT FOR PERSONAL BRIEFING OF ADENAUER ON ADVANTAGES OF AMERICAN TYPE INTELLIGENCE ORGANIZATION. AT SUCH MEETING YOU COULD EXPLAIN HOW KUBARK OPERATES UNDER THE EXECUTIVE AND REPORTS TO ODAPSE.

Parliamentary control of KUBARK activities is exercised through cleared members of the appropriations committees of Congress who are informed concerning KUBARK activities. Moreover agencies such as Hoover Commission which are responsible jointly to Congress and Executive have investigated KUBARK in past and are now constituting new task force to determine its administrative and organizational efficiency.

Report to Congress

COORDINATING OFFICERS

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RELEASING OFFICER

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REL Ger
Secret

ORIG : ALLEN W. DULLES
UNIT : DCI
EXT : 601
DATE : 14 JULY 1954

CLASSIFIED MESSAGE

SECRET

ROUTING

1	4
2	5
3	6

TO : SR. REP., FRANKFURT
FROM : DIRECTOR, CIA
CONF :
INFO :

SECRET/RELEASE
TO GERMANY ONLY

- 3 -

DIR 09017 (OUT 61962)

14 JULY 54

ROUTINE

PRECEDENCE

POSSIBILITY OF JOINT CONGRESSIONAL COMMITTEE SIMILAR TO COMMITTEE ON ATOMIC ENERGY TO CONCERN ITSELF WITH KUBARK ACTIVITIES HAS BEEN PROPOSED FROM TIME TO TIME BUT SO FAR NOT ESTABLISHED. SUCH A COMMITTEE WOULD CERTAINLY INTRODUCE ELEMENT OF PARLIAMENTARY CONTROL. YOU CAN STATE, HOWEVER, THAT UNDER OUR CONCEPT COVERT OPS ARE UNDER EXECUTIVE CONTROL AND DIRECTION.

3. IN EVENT OF ANY SUCH DISCUSSION MEMORANDUM USED BY [REDACTED] AS BACKGROUND FOR BRIEFING GLOBKE SHOULD PROVE EXTREMELY HELPFUL. UNDERSTAND GERMAN TRANSLATION THIS MEMO DELIVERED GLOBKE BUT PRESUME ORIGINAL REMAINS FRAN. IN ADDITION TO GLOBKE THE ODAPSE AND ODAGOG CONCEPT HAS BEEN EXPLAINED TO BLANK, HEUSINGER AND ERLER. EGNA 4502 INDICATES SCHROEDER SIMILARLY BRIEFED THRU RUDOLF SCHMIDT.

END OF MESSAGE

W
RELEASING OFFICER
DCI

COORDINATING OFFICER

SECRET

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TO GERMANY ONLY

AUTHENTICATING OFFICER
Copy No.

SECRET
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MEMORANDUM FOR: Chief of Operations

7 January 1955

SUBJECT: ZIPPER

1. Regarding our conversation earlier today concerning certain statistics on the ZIPPER organization, attached are pertinent pieces of correspondence from Pullach:

- a. EGLA-11748 gives a breakdown of the strength of ZIPPER
Staff Members 1263
Supervisory Agents in West 858
Agents East of the Rhine 965
TOTAL 2,286
- b. EGLA-6874 contains statistics on the number former SS and SD members in ZIPPER. According to this document out of a total of 441 ZIPPER headquarters staff members of all ranks, four (4) are former Waffen SS members (this is not normally considered particularly objectionable), while none are former Allgemeine SS or SD members. Out of a total of 661 field staff members of all ranks, seventeen (17) are former Waffen SS members while 30 are former Allgemeine SS and SD members. These figures were supplied by ZIPPER who claims that in terms of former SS and SD members they are much less vulnerable to criticism than are most of the German Federal republic ministries.

2. According to a study made at Pullach in 1951 based strictly upon material available in the files of the Pullach Base, 107 ZIPPERites were identified by FOB as former members of the German General Staff. While this figure may be slightly out of date at this time, it can be considered a fair indication the number of former General Staff Officers in the upper strata of ZIPPER.

3. The "SPIEGEL" article on GEHLEN was in the 22 September 1954 issue, a copy of which is attached; it need not be returned.

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CLASSIFIED MESSAGE

DATE : 7 FEB 55

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ROUTING					
1	FIG/Eng	4	PPG		
2	FL	5	CASE		
3	Chained	6	OCIO		

TO : DIRECTOR

FROM : BONN

ACTION: EE/6

INFO : DCI, D/DCI, COP, A/DD/P/P, DD/P-I&R, FI, FI/OPS, FI/RQM 3, CI, CI/OPS, FI/RI 2

FEB 7
1955

BONN 2374 (IN 49177)

1658Z 7 FEB 55

ROUTINE

PRECEDENCE

TO: DIR

INFO: SFRAN, SPULL

CITE: SBONN

LIAISON ZIPPER

[REDACTED] ADVISES THAT FROM SERIES OF CONVERSATIONS HELD RECENTLY WITH GLOBKE, GUMBEL, THEDIK, HEUSINGER, EGIDI AND OTHERS HE HAS PUT TOGETHER FOLLOWING UNOFFICIAL ACCOUNT OF RECENT ACTION TAKEN BY GER GOVT IN INTELLIGENCE MATTERS:

A. ADOPTING RECOMMENDATION OF [REDACTED] BLUE-PRINT PAPER (EGNA 5580), INTER-MINISTERIAL COMMITTEE HAS BEEN ESTABLISHED CONSISTING OF GLOBKE AND GUMBEL OF FED CHANCELLORS OFFICE, CHM AND SECY; REPRESENTATIVES OF STATE SECRETARY RANK FROM FOREIGN AFFAIRS, INTERIOR, FINANCE, KAISER, AND BLANK MINISTERIES; AND HEADS OF BFM AND EVENTUALLY ZIPPER.

B. COMMITTEE HAS TWO IMMEDIATE ASSIGNMENTS: 1) ESTABLISH TERMS OF REFERENCE FOR BFM AND ZIPPER 2) WORK OUT CENSORSHIP LAW.

C. CHIEF QUESTIONS UNDER B 1) WERE (1) WHETHER CE MATTERS TO GO TO BFM OR ZIPPER (2) FINANCES REQUIRED BY THE TWO ORGANIZATIONS (3) CONSIDERATION OF ALLIED RECOMMENDATIONS FOR STRENGTHENING BFM SET FORTH IN BLUE-PRINT PAPER.

S-E-C-R-E-T

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TO GERMANY ONLY**

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TO GERMANY ONLY

SECRET

7 FEB 55

BONN 2374 (IN 49177)

PAGE -2-

D. DECISION BELIEVED TO BE THAT ONLY ZIPPER WILL DO
CE IN SOVZONE BUT NOT YET DECIDED WHICH SHALL DO IT IN FEDREP;
EGIDI THOUGHT BFV WOULD RECEIVE THIS JOB IN FEDREP "BECAUSE IN
SOVZONE IT WOULD GO TO ZIPPER".

E. ZIPPER WILL TRANSFER ITS COLLATION SIDE TO AMT
BLANK; IT IS "ASSUMED BY EVERYBODY" THAT ZIPPER WILL IN FUTURE
COLLECT BUT NO LONGER COLLATE INTELLIGENCE; THAT AMT BLANK
INTELLIGENCE COLLECTION EFFORTS WILL BE WOUND UP AND THAT "OSTER
WILL PROBABLY BE GOT RID OF"; ZIPPER WILL COLLECT POLITICAL AND
ECONOMIC AS WELL AS MILITARY INTELLIGENCE.

F. BFV WILL BE ASSIGNED RESPONSIBILITY SUPERVISION
COSMIC SECURITY (NOT FED CHANCELLOR'S OFFICE, AS GLOBKE WISHED);
ALSO INDUSTRIAL SECURITY AND WILL RECEIVE ADDITIONAL STAFF AND
FUNDS NECESSARY.

G. GER GOVT SEEMS TO HAVE IN MIND: 1) BFV (UNDER MIN
INTERIOR) ON MI-5 LINES; 2) GIS (UNDER FED CHANCELLORS OFFICE)
HAVING OVERT AND COVERT FUNCTIONS ON KUBARK MODEL; CHANCELLOR
HAD TALKED WITH OLENHAUER ABOUT SPD OBJECTIONS TO THIS
STRENGHTENING OF CHANC OFFICE.

H. GUMBEL IS PREPARING THE BASIC PLANS STATING BASIC
TERMS FOR ZIPPER AND BFV RESPECTIVELY; GEHLEN CONFERRED RECENTLY
WITH GUMBEL; HOPE THINKS ZIPPER WILL NOT BECOME OFFICIAL UNTIL

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SECRET

SECRET/RELEASE
TO GERMANY ONLY

7 FEB 55

BONN 2374 (IN 49177)

PAGE -3-

AFTER SOVEREIGNTY.

I. CENSORSHIP DISCUSSED 8 JAN AT CABINET MEETING; NO PARTY WANTS SUCH A LAW; GREAT DIFFICULTIES BEING EXPERIENCED IN DRAFTING BILL; GUMBEL USED THESE DIFFICULTIES AS EXCUSE FOR GLOBKE DELAY IN APPOINTING GER TECHNICAL EXPERTS TO DISCUSS PROPOSED IMPLEMENTATION OF INTEL PROVISIONS OF FORCES CONVENTION AND SECRET MEMORANDA SAYING CAUSE OF DELAY POLITICAL NOT TECHNICAL.
(NOTE: CENSORSHIP ONLY ONE OF MANY DISTINCT POINTS.)

J. FOREGOING ARRANGEMENTS BEING MADE APPARENTLY WITHOUT CONSULTING TECHNICIANS OR BFV.

K. FINAN MIN SCHAEFFER WORRIED ABOUT WHAT ZIPPER WILL COST.

END OF MESSAGE

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REL Ger

CLASSIFIED MESSAGE

DATE : 15 MAR 55

S-E-C-R-E-T
RELEASER INFORMATION

ROUTING	
1	FIZ
2	FIG-PC
3	OFFICE

TO : DIRECTOR

MAR 15 1955

SECRET/RELEASE
TO GERMANY ONLY

FROM : PULLACH

ACTION: EE 6

INFO : DCI, D/DCI, DD/I, COP, A/DD/P/P, FI, FI/OPS, FI/RQM 3, PP 2,
PP/OPS, CI, CI/OPS, AD/CI, FI/RI 2

PULL 0123 (IN 21199)

1753Z 15 MAR 55

ROUTINE

TO: DIR

INFO: SFRAN, SBONN

PRECEDENCE
CITE: SPULL

1. UTILITY HAS BEEN ADVISED THROUGH HIS BONN LIAISON OFFICE THAT CHANCELLERY SERIOUSLY CONSIDERING ESTABLISHMENT OFFICIAL GIS IN APRIL. RUMORS THIS EFFECT ARE PREVALENT.

2. ACTION WILL PREFERABLY BUT NOT NECESSARILY BE LINKED TO FINAL RATIFICATION.

3. UTILITY PERSONALLY HAS NOT VISITED BONN FOR SEVERAL WEEKS; IS SKEPTICAL BUT DOES NOT ENTIRELY RULE OUT SUCH ACTION PRIOR RATIFICATION.

4. ADMINISTRATIVELY AND OFFICIALLY UTILITY AND BULK OF STAFF WOULD IMMEDIATELY JOIN GIS, LEAVING CADRE IN ZIPPER PROJECT TO HANDLE ADMINISTRATIVE LIQUIDATION OVER PERIOD SEVERAL MONTHS.

5. GIS WILL BE ADMINISTRATIVELY SUBORDINATE CHANCELLERY WITH CONSIDERABLE CONTROL POLICY IN HANDS COUNCIL OF MINISTERS AND BUNDESTAG COMMITTEE; WILL BE CREATED INITIALLY BY EXECUTIVE ORDER

6. THERE HAS BEEN NO FINAL ACTION ON BUDGET. UTILITY BELIEVES BUNDESRECHNUNGSHOF REPORT JUST COMPLETED WILL ENCOURAGE FINANCE MINISTER APPROVAL.

END OF MESSAGE

S-E-C-R-E-T

RELEASER INFORMATION

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WEST GER 10722

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TO GERMANY ONLY

REL Ger
Secret

286

CLASSIFIED MESSAGE

DATE : 7 APR 55

**SECRET/RELEASE
TO GERMANY ONLY**

ROUTING		
1	F.G.	4
2	KOTHE	5
3	CIA WING	6

TO : DIRECTOR

FROM : BONN

ACTION: *(EE) 6*

APR 8 1955

INFO : DCI, D/DCI, COP, A/DD/P/P, FI, FI/OPS, FI/RQM 3, PP 2, PP/OPS, CI, CI/OPS, FI/R 1 2, S/C 2, (SUSPENSE DD/1)

*D
FIZ (no) RK
W.C.R.
FIZ Cels.*

BONN 2579 (IN 29770)

2107Z 7 APR 55

ROUTINE

PRECEDENCE

TO: SPULL

INFO: SFRAN, DIR

CITE: SBONN

ZIPPER

1. [REDACTED] REPORTS THAT ZIPPER TAKEOVER BY FEDREP WAS TO BE BROUGHT BEFORE CABINET FOR APPROVAL ON 1 APR BUT HAS NOW BEEN STRICKEN FROM AGENDA AS RESULT OBJECTIONS BY SCHAEFFER AND STRAUSS AND ACTION HAS BEEN INDEFINITELY POSTPONED.

2. BOTH STRAUSS AND SCHAEFFER OBJECTED TO METHOD EMPLOYED BY GLOBKE TO FORCE CABINETS APPROVAL. ON 29 MARCH GLOBKE TOLD CABINET MEMBERS TAKEOVER HAD BEEN DISCUSSED IN DETAIL WITH CHANCELLOR WHO APPROVED AND THEREFORE NO NEED AGAIN GO INTO DETAILS BEFORE CABINET. GLOBKE'S ATTEMPT GET BLANKET APPROVAL OF CABINET STARTED DISCUSSION DURING WHICH STRAUSS DEMANDED GLOBKE EXPLAIN DETAILS OF TAKEOVER AND GLOBKE'S ROLE IN FUTURE GIS. GLOBKE CUT SESSION SHORT BY STATING MATTER WOULD BE STRICKEN FROM AGENDA AT PRESENT AND BROUGHT UP AGAIN AT LATER DATE.

3. STRAUSS TOLD HOTTELET OF CBS ON 6 APR GLOBKE TRYING HARD FORCE GIS TAKEOVER IN CABINET IN A FORM WHEREBY GLOBKE COULD MAINTAIN KEY BEHIND SCENES POWER POSITION. STRAUSS SEEKING POSITION

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TO GERMANY ONLY***Zipper / LEGALIZATION*

Secret
REL Ger

S-E-C-R-E-T

7 APR 55
BONN 2579 (IN 29770)
PAGE -2-

**SECRET/RELEASE
TO GERMANY ONLY**

CHAIRMAN OF A GERMAN NSC. IS THREATENING RESIGN IF HE DOES NOT OBTAIN DEFINITE POST EITHER WITH NSC OR DEFENSE ORGANIZATIONS.

4. [REDACTED] NOTE: STRAUSS HAS BEEN THREATENING TO RESIGN FOR THE PAST SIX MONTHS. VARIOUS SOURCES HAVE REPORTED RECENTLY HOWEVER THAT HE IS WATCHING THE PLANNED TAKEOVER OF ZIPPER WITH AN EAGLE EYE AND IS AT PRESENT MAIN STUMBLING BLOCK. GLOBKE APPARENTLY STRUCK TAKEOVER PROBLEM FROM CABINET'S AGENDA TO AVOID ATTRACTING OUTSIDE ATTENTION.

END OF MESSAGE

**SECRET/RELEASE
TO GERMANY ONLY**

S-E-C-R-E-T

BONN TO TIGHTEN SECURITY SYSTEM

New Intelligence Service Due
Head of U. S.-Backed
Unit May Receive Post

file
ZIPPER-Ger'l

By M. G. HANDELL, Staff Correspondent to The New York Times, in BONN, Germany (AP)—The active West German intelligence service will appear on the European scene soon. The need for such a service will become pressing when West Germany receives its sovereignty and begins to arm under the Paris agreements. The basis for the new intelligence organization will be the Federal and state security agencies, whose main task has been to safeguard the internal security of West Germany against spies, subversives and traitors.

Negotiations have been underway for some time between the Federal and state governments to improve the efficiency of their internal security agencies. Agreements have been made and will be put into force after the signature powers to the Paris agreements deposit their instruments of ratification.

It appears that the Federal Government will borrow Reinhard Gehlen, a former Wehrmacht intelligence general, from the United States occupation forces to take over intelligence operations outside West Germany. Herr Gehlen is operating a private intelligence service associated with United States officials in the task of combating Soviet and other East European organizations.

Gehlen Group Soviet Target

The Gehlen Organization, as it is known, has a reputation as an effective agency and has been a frequent target of Soviet propaganda attacks.

The organization is said to be heavily financed from United States sources. It also is believed that most of Herr Gehlen's operatives formerly were members of the German wartime military intelligence service.

Little is known about Herr Gehlen. His name appears in the press occasionally, but so far he has avoided any meeting with newspaper men. The mystery surrounding his personality has had the effect of augmenting Herr Gehlen's reputation as a successful intelligence chief.

Herr Gehlen was put forward as the potential head of the Federal security agency after the defection of Dr. Otto John, erstwhile head of the agency, to East Germany last July 21.

Extent of Soviet influence in the meetings between Herr Gehlen and the heads of the Federal and state security agencies have been taking place. An interim agreement was reported to have been reached recently on the extent of Herr Gehlen's participa-



INTELLIGENCE EXPERT: Reinhard Gehlen, former general in Wehrmacht intelligence operations. He is expected to take charge of intelligence activity for West Germany outside nation.

tion in the West German intelligence organization.

According to the report Herr Gehlen's authority will extend to military intelligence operations outside West Germany. Internal and political security will be placed in other hands. It was assumed that Herr Gehlen also agreed to bring with him sections of his present United States-sponsored organization.

The existing Federal and state security agencies will be reorganized and expanded. Their present staffs are small and their functions are investigative. The Federal agency, whose headquarters is in Cologne, must by law seek the cooperation of any state agency on his territory an investigation is being made. The Federal agency does not have the power to make arrests.

The procedure is to submit the results of an investigation to the Federal Ministry of the Interior, which then decides whether the facts are actionable. It is for the Ministry of Justice to transmit a request for an arrest to the Ministry of Justice of the state where the person in question resides.

NEW YORK TIMES
13 APR 1955

Secret
REL Ger

210

CLASSIFIED MESSAGE

DATE : 23 APR 55

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

1	- FIZ	4	PPG
2	EE/EE	5	CIA
3	OHION	6	DCI/P

TO : DIRECTOR

FROM : PULLACH

ACTION: EE 6

INFO : COP, FI, FI/OPS, FI/RQM 3, PP 2, PP/OPS, CI, CI/OPS, FI/RI 2,
S/C 2, {SUSPENSE DD/I)

APR 25 1955,

*Dell // ADD DCI.
Jug DD1 and DCI addres*

PULL 0441 (IN 35643)

2023Z 23 APR 55

ROUTINE

PRECEDENCE

TO: DIR

INFO: SFRAN, SBONN

CITE: SPULL

1. FROM COVERSTATIONS WITH HORN AND ALIAS REINER IN BONN

18 APR AND UTILITY IN MUNICH 21 APR:

A. UPSWING ON CABINET AGENDA 20 APR. RESULT UNKNOWN AT PULLACH AS OF NOON 21 APR. SOLE MAJOR POINT DISAGREEMENT ON GIS QUESTION IS SUBORDINATION UPSWING TO CHANCELLOR. ALTHOUGH IT RECOGNIZED THAT EXECUTIVE MUST HAVE STRONG VOICE IN DECISION RE BOTH DEFENSE FORCES AND GIS, THERE IS STRONG OPPOSITION TO ANY ARRANGEMENT WHICH WOULD LEAVE CHANCELLOR, DEFENSE MINISTER AND SENIOR MILITARY COMMANDER FREE TO MAKE DECISIONS EMPLOYMENT MILITARY WITHOUT REF TO MORE REPRESENTATIVE ELEMENT OF GOVERNMENT SAME APPLIES GIS. COMPROMISE SOLUTIONS WHICH GUARANTEE ADEQUATE PARTICIPATION OF MINISTERS IN BOTH MILITARY AND INTELLIGENCE DECISIONS UNDER STUDY. PLACING GIS UNDER DEFENSE NO LONGER SERIOUS CONSIDERATION.

B. SIX MEMBERS BUNDESTAG BUDGET COMMITTEE MEETING 26 APR TO RECEIVE REPORT RECHNUNGSHOF PRESIDENT AND FINMIN SCHAEFER. UTILITY WILL BE PRESENT. IN VIEW FAVORABLE REPORT

~~SECRET/RELEASE~~

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~~TO GERMANY ONLY~~

ZIPPER TRANSFER BILL 1176441

REL Ger
Secret

SECRET/RELEASE
TO GERMANY ONLY

23 APR 55

PULL 0441 (IN 35643)

PAGE 2

RECHNUNGSHOF NO BUDGET DIFFICULTY ANTICIPATED.

C. UTILITY HAS NOT BEEN IN BONN SINCE FIRST WEEK
FEBRUARY.

D. HORN SAYS REPORTS UTILITY MEDDLING IN FEDREP
RECENTLY RAMPANT BONN CIRCLES. HE BELIEVES THESE PARTICULARLY
INSPIRED TO SUPPORT DEMANDS THAT CHANCELLOR NOT CONTROL GIS,
PARTIALLY DUE (1) NUMBER EX-ZIPPERITES IN KEY POSITIONS THROUGH-
OUT GOVT WHO MAINTAIN CONTACT WITH ZIPPER AND (2) KNOWN FACT
THAT DOSSIERS ON SOME FEDREP PERSONALITIES EXIST IN PULLACH.

END OF MESSAGE

SECRET/RELEASE
TO GERMANY ONLY

S-E-C-R-E-T

Secret
REL Ger

CLASSIFIED MESSAGE

255
DATE : 28 APR 55

**SECRET/RELEASE
TO GERMANY ONLY**

ROUTING	
1 P2 P16	4 PPG
2 RE	5 302
3 C/Hemo	6 302

TO : DIRECTOR

FROM : PULLACH

APR 29 1955

ACTION: EE 6

INFO : COP, FI, FI/OPS, FI/RQM 3, PP 2, PP/OPS, CI, CI/OPS, S/C 2, FI/RI 2,
(SUSPENSE DD/I)

LEPS GIVE IT TO DDI.

DOI added

JF BL
F12 LUB

PULL 0491 (IN 37334)

1949Z 28 APR 55

ROUTINE

TO: DIR

INFO: SFRAN, SBONN

PRECEDENCE
CITE: SPULL

RE: PULL 0441 (IN 35643) - Upcoming on cabinet agenda 20 Apr

1. CABINET DID NOT CONSIDER UPSWING 20 APRIL. BUNDESTAG COMMITTEE BUDGET HEARING SET FOR 26 APRIL, ALSO DELAYED. UTILITY RETURNING FROM BONN VISIT 29 APRIL. ANTICIPATE COMPREHENSIVE REPORT FROM HIM 29 APRIL.

END OF MESSAGE

**SECRET/RELEASE
TO GERMANY ONLY**

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ZIPPER / TRANSFER + BLDG

433

CLASSIFIED MESSAGE

DATE : 4 MAY 55

~~SECRET/RELEASE
TO GERMANY ONLY~~

ROUTING

1	F2	4	EEG-PNG
2	EEPE	5	EEZ
3	EEHEW	6	DEP

TO : DIRECTOR

FROM : BONN

ACTION: EE 6

INFO : DCI, D/DCI, COP, A/DD/P/P, FI, FI/OPS, FI/RQM 3, PP 2, PP/OPS, CI, CI/OPS, FI/RI 2, S/C 2, (SUSPENSE DD/I) DD I added

MAY 5 1955

e. LeeB

BONN 2681 (IN 39684)

2357Z 4 MAY 55

ROUTINE
PRECEDENCE

TO: DIR

INFO: SPULL, SFAN

CITE: SBONN

ZIPPER

1. MINISTER STRAUSS HELD LENGTHY DISCUSSION WITH CHANCELLOR LATTER PART APR IN PROTEST OF ATTEMPT BY GLOBKE FORCE CABINET APPROVAL FOR ZIPPER INTEGRATION. GLOBKE HAD SENT CIRCULAR LETTER TO MEMBERS OF CABINET STATING INTENT OF FEOREP INTEGRATE ZIPPER INTO FED CHANCELLERY AND TO LATER WORK OUT DETAILS OF ORGANIZATION. THIS PREVENTED BY STRAUSS AND SCHAEFFER AS PER BONN 2579 (IN 29770).

2. IN FOLLOW UP DISCUSSION OF MATTER WITH CHANCELLOR HE ASSURED STRAUSS HE NOT AWARE OF FULL RAMIFICATION ZIPPER TAKEOVER AND AGREED IT WOULD NOT BE DONE WITHOUT PRIOR DISCUSSION BETWEEN CHANCELLOR, STRAUSS, SCHAEFFER, GLOBKE AND BLANK.

3. STRAUSS CLAIMS SCHAEFFER BACKING HIM FULLY IN EFFORT TO PREVENT GLOBKE CONTROLLING FUNCTION OVER NEW UPSWING.

4. STRAUSS INFORMED CHANCELLOR HE WOULD SPECTACULARLY RESIGN FROM MINISTER POST IF ANOTHER ATTEMPT MADE TO FORCE THROUGH ZIPPER INTEGRATION WITHOUT PRIOR DISCUSSION CABINET OFFICIALS.

END OF MESSAGE

S-E-C-R-E-T

ZIPPER LEGALIZATION & P.R.

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~~SECRET/RELEASE
TO GERMANY ONLY~~

Secret
REL Ger.

4.32

CLASSIFIED MESSAGE

DATE : 4 MAY 55

**SECRET/RELEASE
TO GERMANY ONLY**

ROUTING

1	P12	4	116-PPG
2	ZIPPER	5	GER
3	CHAMPS	6	DESS

TO : DIRECTOR

FROM : BONN

ACTION: **EE**

MAY 5 1955

INFO : DCI, D/DCI, COP, A/DD/P/P, FI, FI/OPS, FI/RQM 3, PP 2, PP/OPS,
CI, CI/OPS, FI/RI 2, S/C 2, (SUSPENSE DD/I) **DD/I add 2**

BONN 2682 (IN 39683)

2357Z 4 MAY 55

ROUTINE

PRECEDENCE

TO: DIR

INFO: SPULL, SFTRAN

CITE: SBONN

ZIPPER

1. [REDACTED] REPORTS ON 3 MAY PARLIAMENTARY BUDGET COMMITTEE BLOCKED APPROPRIATION OF FUNDS FOR ZIPPER INTEGRATION PENDING FURTHER DISCUSSIONS WITH FINANCE MINISTER SCHAEFFER. ACCORDING TO SOURCE COMMITTEE OPPOSED TO SCHAEFFER PLAN OF PADDING BUDGETS OF VARIOUS MINISTRIES AND EXECUTIVE ORGS AND IN REALITY EARMARKING THESE EXTRA FUNDS UPSWING.

2. SCHAEFFER TO MEET WITH BUDGET COMMITTEE WEEK OF 9 MAY TO RENEGOTIATE DISTRIBUTION OF FUNDS FOR FUTURE UPSWING AND OTHER COVER FEDREP ACTIVITIES.

3. [REDACTED] OBTAINED INFO FROM PARLIAMENTARY MEMBER OF BUDGET COMMITTEE.

END OF MESSAGE

**SECRET/RELEASE
TO GERMANY ONLY**

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SECURITY INFORMATION

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ZIPPER LEGACIES BILATERAL

REL Ger
Secret

SECRET/RELEASE
TO GERMANY ONLY

ECLA 14 108

Zipper Transfer
Belatingal

Chief, ES
(Attn: [redacted])
Chief of Base, Pullach
Operational
Forthnightly

INFO: COM. NONN

ext up
for various file

ZIPPER/UPROWNT

1. The coming of sovereignty on 5 May 1955 passed ostensibly unnoticed at Pullach. The local atmosphere is very much "business as usual." UTILITY was in Bonn 2 May where he held long conversations with von LEX and RADEK regarding OB jurisdictional matters. He returned confident that a mutually satisfactory definition of the UPSWING and RFW responsibilities can be made soon after UPSWING has been established. At the [redacted] office he was able to learn little regarding UPSWING developments. [redacted] was not in Bonn; GUMBEL had nothing new; everyone else appeared deeply occupied with the fast moving political developments (sovereignty, entrance into WEU and NATO, the Chancellor's visit to Berlin, etc.).

2. UTILITY also called on Erich OLLERAUER who was friendly and interested in UPSWING developments.

3. UTILITY believes that the entire unresolved issue of the relationship of the Executive (i.e., Chancellor) to an NSC-type body is delaying any decisions regarding UPSWING.

4. The sharp opposition of Herbert WEINER (SPD) and Ernst LEMMER (CDU) to the proposal that the Bundestag meet on 17 June in Berlin to commemorate the 1953 uprising may have a bearing on the UPSWING problem. Both expressed strong disapproval of any act by the Federal Republic at this time that would bring about any deterioration in the present slightly favorable atmosphere for East-West negotiation on reunification. (4 May Spiegel) If any sizeable segment of the Bundestag feels that the 2nd Anniversary of the 17 June Uprising should not be given undue notice at this time, might not this same logic be applied to the legalization of the organization that, in GDR propaganda, was credited with fomenting the uprising in the first place? Also, might it not be advisable, seen in the same light, to delay any action until after the proposed Four Power Conference? Opposed to this, of course, is the ADENAUER policy of pressing ahead with the Federal Republic's full integration with the West. While we are optimistic that the latter policy will prevail in the UPSWING issue, the transfer of ZIPPER is not likely to take place without considerable debate. WEINER and LEMMER are, of course, a couple of very suspect birds taken in context of [redacted]. I doubt if the 4 May Spiegel did much to settle UTILITY's jangled nerves.

DIST
3 EE, w/2 att
3 COM, w/2 att
2 BONN, w/1 att (#1)

16 May 55

SECRET
SECRET/RELEASE
TO GERMANY ONLY

Encls: 2

**SECRET/RELEASE
TO GERMANY ONLY**

EGLA 11, 108
16 May 55

5. UTILITY is back in Bonn this week (9-12 May) and will, for the first time, discuss the UPSWING problem with Federal Republic officials with sovereignty a reality and not an uncertain element of the future.

BILATERAL AGREEMENT

6. The substantive discussions with ZIPPER are proceeding quite satisfactorily. Right in the middle of our recent negotiation of the future R&O/HERMES relationship, [REDACTED] made a determined pitch to establish a joint operational relationship with ZIPPER in Berlin on a DRAGON case. Our position was one of absolute clear-cut opposition regardless of any arguments that [REDACTED] might put forth. The cable traffic between R&O, COM and DOB was pretty voluminous; we are hopeful that our view prevailed. The ZIPPER position on this case was identical to ours and fully consistent with the position taken by GRADURER in a current report on R&O/HERMES prepared as a policy recommendation for UTILITY. It is an all-out recommendation for continued cooperation and a joint effort between R&O and UPSWING. We attribute this attitude today by ZIPPER partly to to the enlightened approach by [REDACTED], immediately after his arrival in Germany, to the problem of making DRAGON reports available to ZIPPER and to the excellent handling of the local ZIPPER HERMES case officer in Berlin by the R&O representative, [REDACTED], who recently returned to the U.S.A. Also the fact that R&O is expensive unquestionably influenced ZIPPER."

7. The form of our future liaison has been agreed in a series of meetings with UTILITY and SCHENDT. Within the agreed framework of the liaison pattern (basically covert) we have numerous minor security and administrative problems still to be resolved.

8. The "opposite" number negotiation of various parts of the Bilateral Agreement got off to a faltering start some months ago and quickly ran into the sand with no concrete results apparent. [REDACTED] and I again took the matter up separately with SCHENDT and UTILITY, noting that their subordinates apparently had not really been provided with terms of reference to carry on discussions. Things now seem to be moving along quite satisfactorily.

Panel 158 for 3/16/55 Transferred to Panel 159

**SECRET/RELEASE
TO GERMANY ONLY**

285

CLASSIFIED MESSAGE

DATE : 16 MAY 55

~~SECRET RELEASE
TO GERMANY ONLY~~

ROUTING

1	P/TZ	4	PPL
2	F-G	5	C/KA
3	CH/26m	6	100 OR

TO : DIRECTOR

FROM : PULLACH

ACTION: EE 6

MAY 17 1955

INFO : COP, CI, CI/OPS, FI, FI/OPS, FI/RI 2, S/G 2

PULL 0665 (IN 13623)

1843Z 16 MAY 55

ROUTINE

PRECEDENCE

TO: DIR

INFO: SFRAN, SBONN

CITE: SPULL

1. UTILITY IN BONN 10-13 MAY. NO NEW DEVELOPMENT UPSWING.
BRIEFED MELLIES OF SPD ON ZIPPER SINCE MELLIES REPLACING ERLERS
TEMPORARILY ON BUNDESTAG COMMITTEE SCHEDULED TO EXAMINE BUDGET
AND ADMINISTRATIVE PLAN UPSWING.

2. UTILITY DID NOT CONTACT EITHER GLOBKE OR GUMBEL. UTILITY
HAS NOT SEEN GLOBKE SINCE JANUARY. ADENAUER ON TWO WEEK LEAVE,
NO DECISION UPSWING EXPECTED PRIOR EARLY JUNE.

3. BASIC ISSUES RE UPSWING AND DEFENSE FORCES REMAINS
UNRESOLVED. UTILITY CONTINUES FAVOR NSC-TYPE SOLUTION BUT BELIEVES
THIS NOT WIDELY SUPPORTED. SPD WILL OPPOSE ANY SOLUTION GIVING
GLOBKE STRONG CONTROL OF UPSWING. MELLIES THINKS SUBORDINATION
TO FONOFF POSSIBLE SOLUTION.

4. HAVING MADE HIS OWN RECOMMENDATIONS ON ALL ASPECTS UPSWING
MONTHS AGO, UTILITY ATTEMPTING STAY OUT OF POLITICAL CONTROVERSY
REGARDING GOVERNMENT STRUCTURE.

END OF MESSAGE

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TO GERMANY ONLY~~

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copy 1
ZIPPER / LEGALIZATION

Secret
REL Ger

VIA: _____
(SPECIFY AIR OR SEA POUCH)

PATCH NO. ECLA 14 167

**SECRET/RELEASE
TO GERMANY ONLY**

18 MAY 1955

TO : Chief, EE (Attn: [REDACTED])
FROM : Chief of Base, Pulach
SUBJECT: GENERAL— Operational
SPECIFIC— UTILITY's Recent Bonn Visits

DATE: _____
INFO: COM
BONN NYDAB

1. It is noteworthy that UTILITY has been in Bonn only twice since the first part of February--both trips since the 1st of May. On the first trip he saw no one more important than GUMBEL in the Chancellery and on the second trip he had no contact with the Chancellery at all. Discussing the Bonn situation with me on 16 May he stated that he had not seen [REDACTED] since some time in January. The regular intelligence briefings at the Chancellery are handled routinely by Fritz Karl SCHEIBE & Ollie SCHUMANN. *Albert*

2. In Bonn the first week in May UTILITY held a three hour conversation with Ritter von LEX and also met briefly with RADKE of the BfV. The conversation with von LEX dealt mainly with the future relationship of the BfV, the LfVs, the KRIPO and UPSWING in the CK field. The RADKE/UTILITY conversation dwelt on old problems--the status of the BfV, the problems involved in finding a new top man, controversial personalities in the BfV, present and future BfV/UPSWING relations and RADKE's own future. *Each H*

3. UTILITY called on OLLENAUER on his first May visit. OLLENAUER wanted to know the status of the UPSWING development; UTILITY reported that he also was pretty much in the dark on this question and did not, in fact, know exactly where the matter stood in the Chancellery. Since MELLIES has been designated to temporarily replace ZIERER on the Bundestag committee concerned with budgetary and administrative matters, UTILITY proposed to OLLENAUER that he brief MELLIES on the ZIPPER history and the UPSWING problem. This briefing was set up for the second week in May.

4. During the course of his second visit to Bonn UTILITY did learn that the Chancellery had offered a "Cabinet of State Secretaries"---headed by [REDACTED] as an alternative to the "Cabinet of Ministers" solution. This proposal was short-lived and had been discarded before UTILITY ever heard of it. He was, however, concerned that OLLENAUER might think that he had been aware of it on his first visit when he pleaded complete ignorance of Chancellery and Cabinet planning in the face of OLLENAUER's questioning.

DUST
3 EE
3 COM - ([REDACTED])
2 BONN - ([REDACTED])

18 May 55

FORM NO.
MAR. 1948 51-28A

DESENSITIZED
per CSM WASC & Destroyed
6 Apr 59

**SECRET/RELEASE
TO GERMANY ONLY**

REL Ger
Secret

~~SECRET~~
**SECRET/RELEASE
TO GERMANY ONLY**

Friedrich Wilhelm

EOMA 14 167
18 May 55

5. The MELLIES briefing went well. UTILITY recalled that MELLIES had been one of the group that had received the thoroughly "anti-ZIPPER" briefing by Colonel HEINZ at the Wiesbaden Office several years ago. At that time the American character of ZIPPER had been emphasized and MELLIES twice referred to this point in his recent briefing by UTILITY. Otherwise MELLIES appeared to be intelligent, objective and interested. MELLIES stated that he would approve and support any reasonable solution that did not put [redacted] in a position to control UPSWING. He did not like the idea of concentrating too much authority in either the Chancellery or the Defense Ministry; the FONOFF seemed to offer a good alternative. MELLIES indicated his own lack of confidence in the BfV. He personally believes that the KRIPO would be more effective and, under the present system of government in the FedRep, would not endanger democratic order and civil liberties. He emphasized, however, that his party does not take this view and does officially support the BfV concept. UTILITY, of course, shares MELLIES' personal view on this matter.

6. UTILITY reemphasized the importance of ZIPPER being extremely inactive in Bonn during this critical period when vital political issues on government organization are being debated. He was once asked to give his view and did, he says, go on record favoring the establishment of a central UPSWING subordinated to a Cabinet of Ministers. Beyond this he feels that it is of great importance that he not personally be associated with any particular plan.

7. With ADENAUER on a vacation until the end of May, no final action on UPSWING can be expected. UTILITY further indicated that the transfer of ZIPPER is encountering a good deal of red tape which will reduce the initial solution to a rather crude expedient arrangement.

8. It is quite clear that the UPSWING decision will not be made independent of broader decisions on a governmental reorganization made necessary by the FedRep's entrance into WEU and NATO. Whether there are other factors that are complicating the particular UPSWING question is difficult to judge. At any rate, we appear to be in a period of stalemate which will extend for at least several weeks.

9. At this juncture the information on UTILITY's Bonn relationships and conversations assumes a particularly sensitive character. For this reason we propose to classify all such reports from Pullach as [redacted]. This classification may be automatically dropped at the time of ZIPPER transfer.

~~SECRET~~
**SECRET/RELEASE
TO GERMANY ONLY**

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REL Ger

CLASSIFIED MESSAGE

313

DATE : UNDATED

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TO GERMANY ONLY**

ROUTING	
1	F12-F16
2	E/E/E
3	EE/EE
4	CEC
5	CCS
6	DCAP

TO : DIRECTOR

FROM : BONN

ACTION: EB

INFO : COP CI, CI/OPS, FI, FI/OPS, FI/RQM 3, FI/RI 2, S/C 2, (SUSPENSE
DD/1)

MAY 23 1955

8/2/55
F12 ex
DWS

BONN 2709 (IN 45311) 1837Z 20 MAY 55

BY POUCH
PREGEDENCE

TO: SPULL

INFO: SFRAN, DIR

CITE: SBONN

ZIPPER

[REDACTED] CONFIRMED IN 17 MAY CONVERSATION THAT ZIPPER LEGALIZATION BEING HELD UP BY FRANZ JOSEF STRAUSS. STRAUSS BLOCKED PROPOSED CABINET ACTION UNTIL HE COULD HAVE PERSONAL APPOINTMENT WITH CHANCELLOR. APPOINTMENT SCHEDULED FOR 14 MAY BEFORE CHANCELLOR SCHEDULED DEPART FOR BUEHLERHOEHE. STRAUSS REQUESTED CANCELLATION THIS APPOINTMENT ON 13 MAY. NO POSSIBILITY FURTHER ACTION UNTIL CHANCELLOR RETURNS AND HAS MEETING WITH STRAUSS WHICH CAN REMOVE BLOCK IN CABINET ACTION.

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ZIPPER/LEGALIZATION

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CLASSIFIED MESSAGE

325

DATE : 9 JUN 55

~~SECRET/RELEASE~~

ROUTING

1	F12	4
2	F16	5
3	Other	6

TO GERMANY ONLY

TO : DIRECTOR

FROM : PULLACH

ACTION: EE (1-6)

JUN 10 1955

a : CWS

INFO : DCI (7), D/DCI (8), COP (9), A/DD/P/P (10), CI (11), CI/OPS (12), FI (13), FI/OPS (14), FI/RI (15-16), PP (17-18), PP/OPS (19), S/C (20-21)

PULL 0882 (IN 12301) 2033Z 9 JUN 55

ROUTINE

PRIORITY

TOS DIR

INFO: SFRAN, SBONN

CITE: SPULL

1. UTILITY STATED 8 JUNE FINAL DECISION UPSWING PENDING. BELIEVES UPGROWTH MOVING SYSTEMATICALLY TWARD FINAL DECISION. NUMEROUS PRESS REPORTS OF 1 JULY HAVE NO FACTUAL BASIS. HOWEVER, SINCE FINAL RATIFICATION, 1 JULY HAS BEEN TENTATIVE PLANNING DATE IN DISCUSSIONS. BELIEVES TIMING CLOSELY RELATED TO DATE BLANK STAFF WILL RECEIVE STATUS AS CIVIL SERVANTS AND ACTIVE OFFICERS.

2. WE HAVE NOT YET PROVIDED ZIPPER FUNDS FOR JULY ALTHOUGH NORMALLY THIS DONE IN ANSWER TO SPECIFIC REQUEST ON FIRST OF JUNE. WHEN ASKED 8 JUNE IF HE NEEDED FULL FINANCIAL SUPPORT KUBARK FOR JULY, UTILITY SUGGESTED WE LEAVE MATTER OPEN UNTIL HE RETURNS 18 JUNE FROM BONN TALKS WITH [REDACTED].

END OF MESSAGE

~~SECRET/RELEASE~~
TO GERMANY ONLY

Upswing / Transfer

S-E-C-R-E-T

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REL Ger
Secret

Secret
REL Ger

CLASSIFIED MESSAGE

174
DATE : 13 JUN 55

SECRET/RELEASE
TO GERMANY ONLY

ROUTING	1	2	3	4	5	6
S-E-C-R-E-T	P-2	F-16	Chancery	4	5	6
	1	2	3	7	8	9

TO : DIRECTOR

FROM : PULLACH

ACTION: EE (1-6)

JUN 13 1955

INFO : DCI (7), D/DCI (8), COP (9), CI (10), CI/OPS (11), FI (12),
FI/OPS (13), FI/RI (14-15), S/C (16-17)

PULL 0906 (IN 13320)

1643Z 13 JUN 55

ROUTINE
PRIORITY

TO: DIR

INFO: SFRAN, SBONN

GITE: SPULL

1. UTILITY HELD LONG CONVERSATION WITH [REDACTED] IN BONN
10 JUNE. ALSO SAW [REDACTED] BRIEFLY. HAS IMPRESSION BOTH
DETERMINED TO ESTABLISH UPSWING SOONEST, BUT ISSUE
INEXTRICABLY BOUND TO PARTLY UNRESOLVED QUESTION TOP GOVERNMENTAL
STRUCTURE.

2. UTILITY ASKED IF WE DESIRED EXERT ANY PRESSURE FOR EARLY
TRANSFER BEFORE MAKING JULY FUNDS AVAILABLE; WAS ADVISED OUR
LONG STANDING POLICY OF NOT ATTEMPTING SELL ZIPPER TO FEDREP
STILL IN EFFECT. (COMMENT: WE HAVE USED BUDGET AFTER 1 JULY
AS PRESSURE DEVICE TO ELICIT INFORMATION ON STATUS OF TRANSFER
PLANNING BUT NOT TO EXPEDITE ACTION BY FEDREP.)

3. WE ANTICIPATE NO ACTION ON UPSWING PRIOR 1 JULY; WILL
CONTINUE FINANCIAL SUPPORT AT EXISTING LEVEL.

4. UTILITY WILL RETURN BONN NEXT FEW DAYS FOR FULL WEEK.
CAUSA SUGGESTED THAT HE BE AVAILABLE TO BRIEF NUMBER OF
POLITICIANS. UTILITY EXPRESSED TO [REDACTED] RELUCTANCE ENTERING
BONN SCENE AT THIS TIME BUT FEELS DISCREET MEETINGS WITH
[Signature]

SECRET/RELEASE
TO GERMANY ONLY

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Secret

**SECRET/RELEASE
TO GERMANY ONLY**

13 JAN 55

PULL 0906 (IN 13320)

PAGE 2

SEVERAL MIGHT BE HELPFUL.

5. UTILITY STATES STRAUSS STILL MOST ACTIVE IN
ATTEMPTING GAIN CONTROL OF INTELLIGENCE. [REDACTED] IMPRESSION
THIS UTILITY MEETING WITH [REDACTED] DID MUCH TO REESTABLISH
RELATIONSHIP BETWEEN THEM.

END OF MESSAGE

**SECRET/RELEASE
TO GERMANY ONLY**

S-E-C-R-E-T

CLASSIFIED MESSAGE

08'1

DATE : 16 JUN 55

TO : DIRECTOR

FROM : BONN

ACTION: EE (1-2)

INFO : DCI (3), D/DCI (4), COP (5), S/C (6-7), EXTRA: EA/DCI (8)

ROUTING	
1	4
2	5
3	6

~~SECRET//RELEASE
TO GERMANY ONLY~~

10 DECEMBER 1944

9/15 1962

200

JUN 16 1955

BONN 2799 (IN 14438)

1250Z 16 JUN 55

TO: DIR THRU SFRAN

INFO: SPULL

ROUTINE

PRECEDENCE

PRECEDENCE
CITE: SBONN

1. [REDACTED] HELD THREE LENGTHY MEETINGS WITH MINISTER STRAUSS DURING WHICH STRAUSS ORIENTED ON NSC SETUP AND ORGANIZATION TO AID HIM OBTAIN CLEARER PICTURE INTELL. ORG. RELATION TO OTHER EXEC. ORGANS.

2. MEETINGS ALSO SERVED HELP REMOVE CONSIDERABLE ANXIETY

Strauss has had about zipper. To support orientation Raines used German translation of paper prepared by [REDACTED] for briefing top Fedrep officials. As result Strauss prepared and submitted to Chancellor plan for German NSC and UPSWING. Plan as shown to [REDACTED] now almost identical with [REDACTED] desires for German NSC and UPSWING.

3. FOUND STRAUSS BADLY MISINFORMED AND VERY NAIVE IN HIS IDEAS NSC AND FUTURE UPSWING. HAS SUFFICIENT BACKING AND VOICE IN CABINET TO CAUSE DELAY OR BLOCK ZIPPER TAKEOVER. ADMITTED DELAYING TAKEOVER IN APRIL BUT CLAIMED IT AIMED MORE AT PREVENTING GLOBKE FROM AUTHORITARIAN CONTROL NEW UPSWING THAN OBJECTION ZIPPER.

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ARMED FORCES IN GERMANY~~

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SECRET/RELEASE
TO GERMANY ONLY

16 JUN 55

BONN 2799 (IN 14438)

PAGE 2

4. STRAUSS INFORMED [REDACTED] HE HELD LENGTHY DISCUSSION WITH CHANCELLOR MORNING 11 JUNE AND SUBMITTED HIS RESIGNATION AS MINISTER. CHANCELLOR REFUSED, INFORMING STRAUSS NOT TO BE HASTY, THAT WITHIN 14 DAYS AFTER RETURN FROM U.S. VISIT MATTER OF NSC AND UPSWING WOULD BE BROUGHT BEFORE CABINET AND STRAUSS COULD BE ASSURED OF TOP NSC POST.

5. STRAUSS CLAIMS HE OBTAINED ABOVE IN WRITING IN VIEW CHANCELLOR'S AFFINITY FOR FORGETTING PROMISES. STRAUSS PERSONALLY STILL SKEPTICAL AND IN EVENT HE DOES NOT OBTAIN NSC POST WILL RESIGN AS MINISTER AND AGAIN BECOME CHAIRMAN OF PARLIAMENTARY SECURITY COMMITTEE.

END OF MESSAGE

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TO GERMANY ONLY

S-E-C-R-E-T

Secret
REL Ger

323

CLASSIFIED MESSAGE

**SECRET/RELEASE
TO GERMANY ONLY**

DATE : 24 JUN 55

SECRET

ROUTING

1	P/2	4
2	P/6	5
3	Horn	6

Handy Office

TO : DIRECTOR

DWS

FROM : PULLACH

JUN 27 1955

ACTION: EE (1-6)

INFO : DCI (7), D/DCI (8), COP (9), CI (10), CI/OPS (11), FI (12), FI/OPS (13),
FI/RI (14-15), S/C (16-17)

PULL 1028 (IN 17586)

2053Z 24 JUN 55

ROUTINE

TO: DIR

INFO: SFRAU, SBONN

PRECEDENCE

CITE: SPULL

UTILITY IN BONN 22 JUNE RETURNED PULL 23 JUNE AND ADVISED WALLOP FOLLOWING:

A. [REDACTED] ADVISED UTILITY CABINET WILL TAKE FORMAL ACTION UPSWING DURING
NEXT TWO WEEKS.

B. STRAUSS INVITED HAVE DISCUSSIONS WITH [REDACTED] 27 JUNE. UTILITY
BELIEVES STRAUSS HAS OVERPLAYED HAND AND AROUSED WIDESPREAD OPPOSITION HIS
OWN EFFORT OBTAIN POSITION OF POWER; IN FINAL ANALYSIS PROBABLY AIMED UPTHRUST
OWN EFFORT SUBORDINATE UPSWING HIS OFFICE. UTILITY ANTICIPATES LITTLE
DIFFICULTY WITH EITHER SPD OR FDP AND CONFIDENT INTERNAL CDU DIFFERENCES CAN
BE RECONCILED.

C. HARMONIOUS MEETINGS WITH BOTH [REDACTED] AND HORN. ALL MAJOR ISSUES
[REDACTED] INTELLIGENCE AND UPSWING REALTIONS RESOLVED. WITH POUCH DETAILS.

END OF MESSAGE

**SECRET/RELEASE
TO GERMANY ONLY**

SECRET

Upshifted
**ZIPPER TRANSFER TO
BILATERAL**

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222

CLASSIFIED MESSAGE

DATE : 7 JUL 55

ROUTING	
1	1226/2
2	1226/1(a)
3	1226/1(b)
4	1226
5	1226
6	1226

~~SECRET RELEASE~~

TO GERMANY ONLY

TO : DIRECTOR

FROM : PULLACH

ACTION: BEG

INFO : COP, CI, CI/OPS, FI, FI/OPS, FI/PLANS, FI/RI 2, S/C 2

CUB
EX-REF-SC

PULL 1146 (IN 21699)

16197 7 JUL 55

ROUTINE

TO: DIR

INFO: SBONN, SFRAN

CITE: SPULL

1. IN SECRET SESSION CABINET MORNING 6 JULY TOOK UPSWING QUESTION INTO CONSIDERATION. ADJOURNED 1300 WITHOUT MAKING FINAL DECISION. WILL MEET AGAIN 1800 11 JULY IN SPECIAL SESSION CONSIDER UPSWING.

2. THIS INFO SENSITIVE.

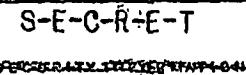
END OF MESSAGE

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file:

for 44d

ZIPPER TRANSFER + BIG AREA



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CLASSIFIED MESSAGE

390.

DATE : 20 JUL 55

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ROUTING		
1	ED/G/2	4
2	ED/RA	5
3	ED/MS	6

*1) Zipper 2058
2) 44 ext
3) Zipper*

TO : DIRECTOR

FROM : PULLACH

ACTION: EE (1-6)

INFO : DCI (7), D/DCI (8), COP. (9), CI (10), CI/OPS (11), FIN (12),
FI/OPS (13), FI/ADM (14-16), FI/RI (17-18), PP (19-20), PP/OPS (21),
(SUSPENSE: DD/1), S/C (22-23)

PULL 1287 (IN 26611)

0157Z 21 JUL 55

ROUTINE

PRECEDENCE

TO: DIR

INFO: BONN, FRAN, BRLN, CITE: PULL

1. CABINET 11 JULY MADE DECISIONS (A) ESTABLISH UPSWING.
(B) ACCEPT ZIPPER (C) SUBORDINATE TO CHANCELLERY (D) PLACE
UPSWING POLICY IN HANDS COUNCIL OF STATE SECRETARIES HEADED BY
[REDACTED] MINORITY OPPOSITION LED BY STRAUSS OPPOSED (C) AND (D).
STRAUSS ALONE OPPOSED ENTIRE DECISION.

2. BUNDESTAG ADM AND BUDGET COMMITTEE INCL CSU AND SPD
ELEMENTS SUPPORTED DECISIONS (A) AND (B) IN MEETING 16 JULY.
(C) AND (D) WERE NOT PRESENTED IN VIEW CERTAINTY THAT CSU AND
SPD WOULD OPPOSE AND MAKE POLITICAL ISSUE OUT OF UPSWING.
IMPRESSION THAT UTILITY HIMSELF ENGINEERED THIS WITH COOPERATION
FIN MIN SFHAEFER AND MELLIES OF SPD WHEN HE BECAME CONVINCED
THAT ISSUE WOULD BECOME PART OF CURRENT POLITICAL FEUD IN WHICH
CSR AND SPD HAVE FOUND COMMON CAUSE IN OPPOSING UPTHRUST EFFORTS
CONCENTRATE NATIONAL SECURITY POLICY IN HIS OFFICE AS OPPOSED NSC
TYPE STRUCTURE.

3. RESULT IS OFFICIAL UPGROWTH DECISION SUPPORTED RESPONSIBLE
BUNDESTAG COMMITTEE, TO ACCRDT ZIPPER AS UPSWING. QUESTIONS OF

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ZIPPER TRANSFER
MESSAGE COPY NO. ← DILATERAL

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20 JUL 55

PULL 1287 (IN 26611)

PAGE 2

HOW, WHERE AND WHEN REMAIN UNANSWERED AND INSEPARABLE FROM
BROADER QUESTIONS OF FED REP DEFENSE AND NATIONAL SECURITY
ORGANIZATION WHICH WILL BE DEBATED AFTER BUNDESTAG RECONVENES

22 SEPT.

END OF MESSAGE

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S-E-C-R-E-T

AIR

卷之三

卷之三 977

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21 JUL 1955

Chap. 25

Chief of State, Palach

EXFO, CES, BCI

OpenStax

Establishment of UPENDRA

3. During the course of the special session of the Cabinet starting at 1800 hours on 21 July 1955 the URGENT question was given official consideration; four decisions were reached:

- a. UPGROW would establish an UPGROWING.
 - b. UPGROW would be accepted as an organization to become UPGROWING.
 - c. UPGROW would not be a part of the office but the Chief of UPGROW would be responsible to UPGROWING would remain a separate entity and considered a separate agency directly subordinate to the office.
 - d. The chairman of UPGROW would be a function of the Council of Ministers and would already possess a functioning body consisting of a permanent Bureau of government.

2. Although the utility was given permission on 12 July, UTILITY did not report the above-mentioned 1000 ft. deep well until 15 July. At least once he mentioned that he had been unable to get the equipment to the site because of the weather. He also stated that he had been unable to get the equipment to the site because of the weather.

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23

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TO GERMANY ONLYSOA-14 977
PAGE TWO

UTILITY that the assurances that he has repeatedly received from GAUSS and his assistants that the "budgetary matters were all arranged" were meaningless in the absence of Bundestag support of the UPSIMEX decision; that the decisions made by the Cabinet on 11 July, although legal decisions of the government, could in reality not be implemented without Bundestag support from the Bundestag. SCHAFER pointed out that the elements of the Cabinet that had opposed the decision regarding the substitution of UPSIMEX to [REDACTED] and [REDACTED] control would, in the Bundestag committee meeting on 16 July, be reinforced by the SPD opposition. In short, SCHAFER (CSU) doubted whether favorable action would be obtained with both the CSU and the SPD opposing the manner in which UPSIMEX control points a. and b. In the end, SCHAFER and UTILITY agreed that only points a. and b. should be presented to the committee. The question of UPSIMEX's future position in the government would be linked with the entire unresolved problem of a "Verteidigungswert" (i.e., NSC-type structure) and excluded from committee consideration on the 16th.

4. On 16 July the Committee sat under SCHAFER's chairmanship. The members were advised of the decision to postpone UPSIMEX and to accept KITTEL. Members of the Committee, including the SPD representation, supported the decision.

5. With the summer holidays starting and the Bundestag adjourning until 22 September 1955, action on UPSIMEX is now postponed until that time. UTILITY is obviously satisfied with the progress made on the UPSIMEX issue during the past ten days. At the moment he is particularly grateful to Finance Minister SCHAFER and to KELLER of the SPD for their advice and support in this first official action on UPSIMEX. He is obviously less than happy in his feelings regarding [REDACTED] and his own CSU, and gives them no credit at all that the entire matter did not suddenly blossom into a political issue during the Bundestag Committee hearing.

6. Certainly final action on the establishment of UPSIMEX cannot now be completed prior to 2 November. On the other hand, the official UPSIMEX decision has been made and has leaked to the press. The German radios carried the story on the evening of 18 July. Legally we contacted the U.S. via KIRKET remains unchanged. We do not intend to move out of the compound and have no intention of crowding the remaining controls that we have over KIRKET until final action is taken. Psychologically, the story break will have an effect. KITTEL now feels that it is separated more or less in mid-air between its past and its future. Many of the individual KIRKET staff members, faced with some anxiety, the many negotiations regarding changing intelligence relationships that are being negotiated between the UPSIMEX and officials of the former Allies. UTILITY, who is fully aware of what is going on, has recently stated that he is not going to worry about matters that are beyond the limits of legal status, currently of no official concern to him.

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SECRET

EE/6/2

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SFR 3; USR

MEMORANDUM FOR: Director of Central Intelligence

VIA: Chief of Operations, D/P

SUBJECT: Legalization of ZIPPER

1. The Bundestag Security Committee discussed the problem of ZIPPER's legalization at length on 15 September, according to a recent statement by former Admiral HEYE who is a member of that committee. The Security Committee recommended that the Finance Committee not make funds available for ZIPPER's transfer to the German government until GLOMER has given the Bundestag more information on transfer plans.

2. HEYE stated that, although the Security Committee was originally established to control the Defense Ministry, it is beginning more and more to take the view that intelligence matters also fall into its sphere of interest and is becoming active in demanding a voice in ZIPPER's transfer.

/S/

John A. Gross
Chief, Eastern European Division

Distribution:
Orig & 1 - Addressee
1 - C/EK
2 - EE/6/2
1 - RI/FI

EE/C/Z/
16 September 1955

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TO GERMANY ONLY

SECRET

VIA: _____
(SPECIFY AIR OR SEA POUCH)

DISPATCH NO. EGLA 15 973

**SECRET/RELEASE
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CLASSIFICATION

TO : Chief, EE
FROM : Chief of Base, Pullach
SUBJECT: GENERAL— Operational.
SPECIFIC— UTILITY's Current Views on UPSWING

DATE: 22 SEP 1955

INFO: COS
BONN

KADOK

1. On 20 September 1955 I discussed the current status of UPSWING with UTILITY. He had just returned from Bonn where he had discussed the problem with GUMBEL of the Chancery and, separately, with (Dr.) Richard JAEGER (CSU), President of the Bundestag Committee on Questions of European Security.

2. UTILITY has heard about and come to expect as a serious matter the apprehensions shared by a number of Bundestag members that an UPSWING created only by executive order might be a danger to the Federal Republic. Reflecting upon the impasse reached earlier this summer in the Bundestag committee hearing on the UPSWING budget, UTILITY came to the conclusion that UPSWING should initially be established by a law. After making a minimum gesture of coordination with GUMBEL, UTILITY opened a discussion with JAEGER with the statement that he, UTILITY, held the opinion that UPSWING should be established from the beginning by a law enacted by the Bundestag after proper parliamentary examination of the problem. JAEGER noted that this was, by coincidence, exactly the purpose of his meeting with UTILITY.

3. UTILITY is determined to make an all-out effort to get a separate UPSWING law underway before someone suggests a German version of the 1947 National Security Act—drafting of which would take months and perhaps years. Also, UTILITY is anxious to have a government-sponsored bill introduced before one is introduced by JAEGER, Franz Josef STRAUSS or any other politician particularly interested in the UPSWING problem. With this in view, UTILITY has had his legal advisers draft a law, extremely simple and brief, that has been forwarded to UPTHRUST for consideration and further action.

4. UTILITY, as always the optimist, is confident that the UPSWING problem can thus be separated from the broader issues facing the government and resolved during the next few months. He is hopeful that the bill can be introduced in October, processed through committees in October and be enacted during November and December.

Atts: 2

1. Proposed Basic Law
2. Accompanying Explanatory Document

DIST

✓ 3 EE, w/2 atts as above
3 COS, " " "
2 BONN, " " "

20 Sept 55

FORM NO. 51-28A
MAR 1949

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-2-

EGLA 15 973
20 Sept 55

5. Two weeks ago when I last discussed the CE charter with UTILITY, I got the impression that he was resigned to losing a major part if not all of the CE charter to the BfV. UTILITY was unwilling to risk losing the immediate political support of [Interior Minister] SCHROEDER, much needed in connection with establishing UPSWING, by making a real issue of his unresolved dispute with the BfV regarding the CE charter. After spending most of the week of 12 September in Bonn, UTILITY returned to Munich apparently confident that UPSWING will be the central authority and have primary responsibility for CE. He again brought up his meeting with Dr. SCHRUEBERS who makes a good impression on UTILITY. However, it is clear that the cause for UTILITY's new optimism was a discussion with Ritter von LEX during the past few days. Also, I have the impression that the SPD must have committed itself to support of a solution the ~~Utility~~ regards as satisfactory. He again noted that the separation of cases involving Landesverrat and Hochverrat was an element in this solution.

6. On the agenda for UTILITY's next trip to Bonn is a full discussion of the U-C problem with Defense Minister BLANK and HEUSINGER. Although UTILITY maintains that a final solution to do away with the BLANK collection unit at the time that UPSWING is established is agreed, Joachim OSTER is continuing to operate in other wide circles in a variety of intelligence matters. UTILITY feels that there is, understandably, a desire on the part of elements in the Defense Ministry to utilize the existing situation to involve the BLANK intelligence staff in such matters as the [redacted] S-boats, the development of an intelligence (signal) effort, the development of a large counterintelligence staff (militärische Abwehr), and the exploitation of current [redacted] and [redacted] desires to support the Wiesbaden intelligence shop of the Defense Ministry.

7. UTILITY continues to maintain the position that major decisions on most of these matters have been made but have not been revealed to lower echelons. In most instances the solutions are compromises consistent with the basic philosophy of the planned intelligence structure--i.e., a centralized service with minimum duplication of effort in the ministries and the service and adequate ministry participation and representation in those functions carried out in the centralized service to safeguard ministry interests--admittedly a pretty good trick if it works!

8. Attached are copies of the draft of the proposed basic law and an accompanying explanatory document. It is requested that our possession of these drafts not be revealed to German authorities; the fact that UTILITY has come around to the view that UPSWING should be initially established by law can certainly be used conversationally by [redacted] in dealing with [redacted]. As requested, however, that [redacted] not take the initiative in raising this matter until we know whether [redacted] and [redacted] agree with this tactic.

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E n t w u r f i

Stand: 15.9.55

KOM

Gesetz über die Einrichtung eines Bundesnachrichtendienstes.

Vom

§ 1

Der Bund errichtet ein Bundesamt mit der Bezeichnung
"Bundesnachrichtendienst (BND)" als

Bundesbehörde

.....

Es untersteht dem Bündesministerium

§ 2

- (1) Der Bundesnachrichtendienst hat die Aufgabe, alle die-jenigen Auslandsnachrichten zu sammeln und auszuwerten, welche für das Wohl der Bundesrepublik und zur Gewährleistung ihrer außenpolitischen Sicherheit benötigt werden.
- (2) Zur Erfüllung seiner Aufgaben unterhält der BND die nötigen nachrichtendienstlichen Einrichtungen.
- (3) Der Leiter des BND steht dem Bundesverteidigungsrat in allen nachrichtendienstlichen Fragen beratend zur Verfügung und erhält von ihm die erforderlichen Richtlinien über die Beteiligung der anderen Ressorts der Bundesregierung und der Länder an den Erkenntnissen des BND.

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(4) Polizeiliche oder Kontrollbefugnisse stehen dem BND nicht

§ 4

§ 3

Aufgrund der besonderen Arbeitsbedingungen gelten für den BND folgende Bestimmungen:

- (1) In § 3 Abs. (3) des Personalvertretungsgesetzes wird als Ziffer c) eingefügt:
"Bedienstete des Bundesnachrichtendienstes."
- (2) Die Angestellten und Arbeiter des BND sind nicht Arbeitnehmer im Sinne des § 5 des Arbeitgerichtsgesetzes.
- (3) Für alle Bediensteten des BND gilt die Bundesdisziplinarordnung. Notwendige Ergänzungen des Dienststrafrechts werden besonders geregelt.
- (4) Soweit gesetzliche Publikationspflicht besteht, wird der BND aus Gründen der Staats sicherheit ausgenommen.

§ 4

Die zur Durchführung dieses Gesetzes erforderlichen allgemeinen Verwaltungsvorschriften werden durch die Bundesregierung erlassen.

§ 5

Dieses Gesetz gilt auch für Berlin, sobald das Land Berlin gem. Artikel 87 seiner Verfassung die Anwendung dieses Gesetzes beschlossen hat.

§ 6

Dieses Gesetz tritt am Tage nach seiner Verkündung in Kraft.

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Betrifft: Gesetz über die Einrichtung eines Bundesnachrichtendienstes.

I. In der Anlage wird der Entwurf zu einem "Gesetz über die Einrichtung eines Bundesnachrichtendienstes" vorgelegt.

II. Begründung

a) Allgemeines

Als Folge der Übertragung der Souveränität an die Bundesregierung am 5.5.1955 soll die "Organisation Gehlen" gemäß Kabinettbeschluss der Bundesregierung von _____ in den neu zu schaffenden Bundesnachrichtendienst aufgehen.

Um den geplanten Bundesnachrichtendienst zu konstituieren und die erforderliche Grundlage für eine Zusammenarbeit mit den Behörden des Bundes und der Länder zu schaffen, wird die Einbringung dieses Gesetzentwurfes für erforderlich gehalten.

b) Einzelheiten

In § 1 zur Erfüllung der dem Bundesnachrichtendienst zugesetzten Aufgaben (siehe § 2), die unmittelbare Beziehungen zu Bundesministerien und Organen des Bundes erforderlich machen, ist es notwendig, den Bundesnachrichtendienst den Status einer _____ zu geben.

Unterstellung p. p.

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- Zu § 2 (1) Bei der Festlegung der Aufgaben des Dienstes soll die Beschränkung auf die Sammlung und Auswertung von solchen Nachrichten, die für Gewährleistung der äußereren Sicherheit wesentlich sind, besonders zum Ausdruck kommen. Ferner soll zur klaren Abgrenzung gegenüber dem Bundesamt für den Verfassungsschutz die Gewährleistung der äußereren Sicherheit unmissverständlich herausgestellt werden.
- (2) Unter nachrichtendienstlichen Einrichtungen im Rahmen des Bundesnachrichtendienstes sind zu verstehen:
- Nachrichtendienstliche Außenführungsstellen im In- und Ausland,
- Einrichtungen des Fernmeldewesens und andere Sondereinrichtungen (z.B. Schulen, Meldeköpfe und technische Einrichtungen).
- (3) Es wird vorgeschlagen, die Steuerung der Tätigkeit des Bundesnachrichtendienstes dem Bundesverteidigungs-
rat zu übertragen. Diesen sollte der Leiter des BND als beratendes Mitglied angehören. Von dieser Stelle sollten auch die notwendigen Richtlinien für die Beteiligung der anderen Bundesressorts und der Länder-
regierungen an den Ergebnissen der Arbeit des BND gegeben werden.
- (4) Aus Gründen der Aufgabenabgrenzung erscheint die Aufnahme dieser Ziffer in das Gesetz notwendig.

Zu § 3 Aus Gründen der Wahrung der Sicherheit und der potentiellen Gefahr einer Infiltration des Dienstes oder einer Aufklärung von Einzelheiten der Aufgabenstellung, Organisation, personellen Besetzung und Dislokation des BND durch fremde Nachrichtendienste ist die Anwendung der

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für die Bundesverwaltung allgemein geltenden gesetzlichen Bestimmungen in vollem Umfang nicht vertretbar. Deshalb werden nachfolgend diejenigen Bundesvorschriften aufgeführt, deren Anwendung beim BND unterbleiben oder eingeschränkt werden muss, wie es auch bei anderen westlichen Nachrichtendiensten entsprechend gehandhabt wird.

- (1) Die Bestimmungen des Personalvertretungsgesetzes sind in nachstehend aufgeführten Punkten mit dem Sicherheitsbedürfnis des BND nicht vereinbar.
- a) Die Wahl und Zusammensetzung der Personräte und die Regelung der Stufenvertretungen entspricht nicht der zur Aufrechterhaltung der Sicherheit notwendigen inneren und äusseren Abschirfung eines Nachrichtendienstes.
 - b) Das Mitbestimmungsrecht der Personräte bei personellen und organisatorischen Massnahmen würde die erforderliche Geheimhaltung durchbrechen bzw. zur Fahrung der Sicherheit von Leib und Leben eigener Mitarbeiter notwendige schnelle Entscheidungen der nachrichtendienstlichen Führung unmöglich machen.
 - c) Die Beteiligung von Arbeitgebervereinigungen und Gewerkschaften würde die äussere Abschirfung des Dienstes zerstören und Außenstehenden sicherheitsgefährdende Einblicke in den Aufbau und Tätigkeit des BND ermöglichen.

Es ist beabsichtigt, im Wege einer allgemeinen Verwaltungsvorschrift (siehe § 4 des Gesetzentwurfes) eine Regelung für die Personalvertretung für den Gesamtbereich des Bundesnachrichtendienstes einzuführen, die etwa der Handhabung gemäß § 97 Abs. 1

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und § des Personalvertretungsgesetzes entsprechen und den unabdingbaren Sicherheitsforderungen des Nachrichtendienstes gleichzeitig Rechnung tragen würde.

- (2) Das arbeitsgerichtliche Verfahren ist mit dem Sicherheitsbedürfnis des BND nicht vereinbar, weil auch bei Ausschluss der Öffentlichkeit die Einschaltung einer Vielzahl von Personen bei den jeweiligen Gerichten nicht vermeidbar ist. Es ist jedoch nicht beabsichtigt, den Rechtsweg für die Arbeitnehmer auszuschliessen, vielmehr wird angeregt, für Streitfälle aus dem Arbeitsverhältnis den Verwaltungsrechtsweg etwa analog § 172 BGB zu eröffnen. In diesen Fällen wird vorgeschlagen, ein Verwaltungsgericht für alle Streitigkeiten aus Arbeitsverhältnissen im Bereich des BND zu bestimmen.
- (3) Es ist erforderlich, nicht nur für die Beamten, sondern für alle Bediensteten des BND das Dienststrafrecht anzuwenden, weil einerseits die erforderliche Geheimhaltung nur auf diese Weise gewährleistet werden kann und andererseits die Art der Materie besondere Kenntnisse der damit befassten Richter verlangt, wird die Bildung einer besonderen Kammer und eines Senates bei einem Bundesdisziplinargericht für notwendig gehalten. Außerdem wird eine Ergänzung des materiellen Dienststrafrechts insofern erforderlich sein, als z.B. Verstöße gegen die Sicherheitsanordnungen einer besonderen Abteilung unterworfen werden müssen.
- (4) Die Aufrechterhaltung der Sicherheit eines Nachrichtendienstes beruht in der Hauptsache auf der Gefahrenabwehr der Geheimhaltung, der personalien zu-

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- 5 - TO GERMANY ONLY

zammensetzung, der Aufträge und Verbindungen gegenüber nicht befugten Personen sowie auf der Tarnung seiner Einrichtungen und der Unauffälligkeit seiner Arbeit. Alle Publikationen in Gesetzbütttern und Tageszeitungen werden von den freien Nachrichtendiensten ständig überwacht. Der BND muss daher von jeder gesetzlichen Publikationspflicht befreit werden, weil

- a) die Veröffentlichung des Haushalts, von Verwaltungsvorschriften und Ähnlichem dem Auslande wertvolle Anhaltspunkte über die personelle starke, technische und finanzielle Möglichkeiten geben würde,
- b) die öffentliche Stellenausschreibung dem Auslande Anhaltspunkte für die Infiltration bieten und im Widerspruch zu dem Verbungsprinzip des BND stehen würde,
- c) die öffentliche Ausschreibung von Arbeits- und Lieferaufträgen dem Auslande ebenfalls Möglichkeiten zum Einringen oder Einblicken in die innere Struktur des BND eröffnen würde.

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SECRET

BGLA 16026

30 SEP 1955

Chief, SE

Chief of Base, Pullach

INFO, COS, BORN

Operational.

GDR Propaganda Regarding Future Relations GDR and USA

During the 1000 hour Sender DDR newscast on 22 Sept 1955 included the following item indicating that GSOMER had concluded an agreement with American authorities in Bonn on 21 Sept 1955 that the GDR would continue to be active for the U.S.A. after transfer to the FedRep Chancellery.

"Sender B B R Nachrichtendienst 22. 9. 1955 10.00 Uhr.

Die Spionageorganisation GSOMER soll durch nach ihrer Unterstellung unter das Bundeskanzleramt weiterhin fuer die U S A tätig sein. Eine entsprechende Vereinbarung ist zwischen der GSOMER bei Verhandlungen zwischen amerikanischen Dienststellen und dem Chef der Organisation getroffen worden."

SECRET
3 SEP
3 OCT
2 NOV

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27 Sept 55

SECRET

COPY

ZIPPER TRANSFER
AND BILATERAL

179

CLASSIFIED MESSAGE

**SECRET/RELEASE
TO GERMANY ONLY**

DATE : 20 DEC 55

TO : DIRECTOR

FROM : PULLACH

ACTION: EE 1-6

INFO : DCI 7, D/DCI 8, COP 9, A/DD/P/P 10, I&R 11, CI 12, CI/OPS 13, FI 14, FI/OPS 15, FI/R 16-17, S/C 18-19

PULL 2800 (IN 43282) 1540Z 20 DEC 55 ROUTINE

TO: DIR INFO: FRAN, BONN CITE: PULL

1. UTILITY EXPECTS BUDGET COMMITTEE BUNDESTAG RETURN TO UPSWING QUESTION IN NEXT FEW DAYS. NO OTHER DEFINITE WORD ON UPTHRUST MEETING WITH POLITICAL LEADERS ON UPTHRUST ORGANIZATION. UTILITY WAS IN BONN MOST OF PAST TWO WEEKS. DID NOT SEE UPTHRUST.
 2. SOME INDICATION A NEW SERIES OF COORDINATED ATTACKS ON ZIPPER HAS BEEN INITIATED. BUNDESTAG SECURITY COMMITTEE HAS RECEIVED DEROGATORY LETTER FROM INDIVIDUAL WHO CLAIMS TO BE MEMBER OF ZIPPER, SIGNS LETTER EHLEN OR EHLER. NO TRACE. [REDACTED] ADVISED UTILITY OF EXISTENCE AND GENERAL CONTENT OF LETTER; DID NOT GIVE UTILITY A COPY SINCE HE FELT IT BETTER IF UTILITY IN POSITION HE SAY HE HAD NOT SEEN IF HE CALLED BEFORE REPRESENTATIVES OF THIS COMMITTEE. UTILITY HAS COPY UNOFFICIALLY FROM SPD MEMBER WHO FEELS IT CERTAIN UTILITY WILL ONCE MORE HAVE TO APPEAR BEFORE ELEMENTS BUNDESTAG AND WILL BE CONFRONTED WITH LETTER. UTILITY SAYS IT IS A SKILLFULLY PREPARED LETTER CONTAINING ALL THE OLD CHARGES THAT
- S-E-C-R-E-T
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- SECRET/RELEASE
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20 DEC 55

PULL 2800 (IN 43282)

PAGE 2

[REDACTED] CIRCULATED A FEW YEARS AGO (POLITICAL UNDESIRABLES IN ZIPPER, AMERICAN CONTROLLED ETC) PLUS SOME CHARGES ON PENETRATION OF ZIPPER IN CONNECTION THE ALBERT CASE. IN VIEW SENSITIVITY UTILITY UNWILLING GIVE US COPY AT THIS TIME.

3. 17 DECEMBER 8 UHR BLATT MUNICH CARRIES FRONT PAGE STORY SAYING GIS ABOUT TO BE ESTABLISHED AS OBERE BUNDESBEHOERDE UND GEHLEN WITH AUTHORITY OVER ALL GERMAN INTELL ORGANIZATIONS, INCLUDING BFM DFVS. CITE EXPERT OPINION THAT THIS WILL GIVE GEHLEN 50,000 AGENTS IN FED REP. GEHLEN MATERIAL WILL IN FUTURE GO TO STATE SECRETARYS GLOBKE, RUST AND HALLSTEIN.

4. WE HAVE EXAMINED POSSIBILITY OTTO JOHN RETURN CONNECTED IMMINENT ESTABLISHMENT UPSWING. FIND NO BASIS LINKING TWO.

5. REQUEST NO DISCUSSION ALLEGED LTR OUTSIDE KUBARK THIS TIME. REQUEST ANY OTHER INDICATIONS CONCERTED EFFORT DISCREDIT ZIPPER THIS LATE DATE BE REPORTED. FOR PRESENT SEE NO NEED ANY KUBARK ACTION.

END OF MESSAGE

S-E-C-R-E-T

**SECRET/RELEASE
TO GERMANY ONLY**

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CLASSIFIED MESSAGE

DATE : 22 DEC 55

SECRET/RELEASE

ROUTINE	
1	PULL
2	CITE
3	INFO
4	FILE
5	REF
6	DIS

TO GERMANY ONLY

TO : DIRECTOR

FROM : PULLACH

ACTION: EE 1-2

INFO : DCI 3, D/DCI 4, COP 5, A/DD/P/P 6, S/C 7-8 (SUSPENSE DD/I)

(b) F1 added

Cited

PULL 2825 (IN 44193)

1510Z 22 DEC 55

ROUTINE

TO: DIR

INFO: BONN, FRAN

PRECEDENCE
CITE: PULL

1. ADENAUER MET 20 DEC WITH POLITICAL LEADERS MELLIES' SPD, SCHNEIDER DP, KRONE CDU, DR. BLANK FDP AND A REPRESENTATIVE OF BHE TO OBTAIN TOP LEVEL POLITICAL AGREEMENT ON ESTABLISHMENT UPSWING. ADENAUER PRESENTED OWN VIEWS ON SUBJECT, HISTORY OF RECHNUNGSHOF INVESTIGATION ZIPPER, METHOD HANDLING BUDGET IN FUTURE, HIS DESIRE SEE PARLIAMENTARY COMMITTEE CONSISTING SELECTED MEMBERS MAJOR PARTIES AND CHAIRMAN AND VICE CHAIRMAN OF BOTH SECURITY AND BUDGET COMMITTEES TO HANDLE PARLIAMENTARY SUPPORT, HIS DESIRE ESTABLISH UPSWING IN JANUARY 56, HIS INTENT INCLUDE UPSWING IN LAST QUARTERS SUPPLEMENTARY BUDGET BEING SUMMITTED BUNDESTAG 11 JAN, AND HIS PLAN TO ESTABLISH UPSWING SUBORDINATE CHANCELLOR, INITIALLY BY EXECUTIVE ORDER. UTILITY GAVE SHORT BRIEFING. ALL PARTIES SUPPORTED CHANCELLOR. [UTILITY REPORTS MELLIES PARTICULARLY HELPFUL GETTING OVER A FEW STICKY POINTS. DEGREE OF AMERICAN PENETRATION AND INFLUENCE WAS DISCUSSED. ALSO LETTER DESCRIBING [REDACTED] (IN 43282) CAME UP FOR BRIEF DISCUSSION.]

Memo to DD 23 Dec.

S-E-C-R-E-T

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TO GERMANY ONLY

22 DEC 55

PULL 2825 (IN 44193)

PAGE -2-

2. [IN VIEW POLITICAL AGREEMENT, UTILITY NOW FEELS BUDGET COMMITTEE ACTION WILL BE LARGELY A FORMALITY.] DR. BLANK WHO SAY IN FOR ERICH MENDE AT ADENAUER'S MEETING, IS ASST CHAIRMAN THIS COMMITTEE.

3. ADENAUER WILL ISSUE EXEC ORDER SOMETIME IN JANUARY. [THIS WILL PROBABLY BE THE LEGALIZATION OR "L" DAY TO INITIATE ACTION TRANSFERRING ZIPPER PERSONNEL AND PROPERTY TO UPSWING.]

4. ALTHOUGH UPSWING WILL BE SUBORDINATE CHANCELLOR, VERTEIDIGUNGSRAT WILL BE COMPENTENT DISCUSS NATIONAL INTELL PROBLEMS.

5. ALL FORMER OFFICERS IN ZIPPER WHO WISH RETURN MILITARY CAREERS OR ARE PRESENTLY UNCERTAIN THIS POINT WILL BE ACCEPTED BY DEF MIN IN LMILITARY SLOTS. THEIR REASSIGNMENT FROM UPSWING TO THE DEF MIN OR ARMED FORCES WILL BE HANDLED AS SEPARATE PROBLEM ON CASE TO CASE BASIS OVER LONG PERIOD TIME. THUS UPSWING WILL HAVE UNUSUALLY HIGH PRECENTAGE MILITARY PFRSONNEL FOR NUMBER YEARS. EXCELLENT RELATIONSHIP TOP DEF MIN PERSONNEL AND UTILITY OBVIOUSLY SIMPLIFIES HANDLING INDIVIDUAL PERSONNEL PROBLEMS.

[6. AFTER EXECUTIVE ORDER ISSUED, [] WILL FORMALLY ADVISE KUBARK AND DESIGNATE UTILITY TO REPRESENT UPGROWTH IN HANDLING

S-E-C-R-E-T

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TO GERMANY ONLY

SECRET/RELEASE
TO GERMANY ONLY

22 DEC 55

PULL 2825 (IN 44193)

PAGE -3-

TRANSFER OF ZIPPER PERSONNEL AND ASSETS FROM [REDACTED] TO UPGROWTH.

7. FOR BONN. ALL ABOVE SENSITIVE. EVEN IF [REDACTED] ADVISES [REDACTED], REQUEST AS MATTER PROCEDURE WE NOT REVEAL FACT AND EXTENT UTILITY REPORTING TO US. ALSO PLEASE AVOID ANY STATEMENTS [REDACTED] RE CURRENT STATUS KUBARK FINANCIAL SUPPORT ZIPPER WITHOUT PRIOR COORDINATION PULL.

END OF MESSAGE

S-E-C-R-E-T

SECRET/RELEASE
TO GERMANY ONLY

Secret
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CLASSIFIED MESSAGE

DATE : 22 DEC 55

SECRET/RELEASE
TO GERMANY ONLY

ROUTING	1	2	3	4	5	6
C/P						
ROUTING						

TO : DIRECTOR

FROM : PULLACH

ACTION: DCI 1

INFO : D/DCI 2, S/C 34, ADDED: COP 5, A/DD/P/P 6, EE 7-8

PULL 2828 (IN 44303)

1807Z 22 DEC 55

ROUTINE
PRECEDENCE

TO: DIR (ASCHAM)

INFO: FRAN

CITE: PULL

GEHLEN 21 DEC REQUESTED [REDACTED] CONVEY HIS CHRISTMAS GREETINGS TO [REDACTED]
WITH FOLLOWING MESSAGE:

"MAY I TAKE THIS OPPORTUNITY TO INFORM YOU CONFIDENTIALLY THAT
(PORTION GARBED - BEING SERVICED) SESSION UNDER THE CHAIARMSHIP OF CHANCELLOR
ADENAUER
(PORTION GARBED) THE SPECIAL REPRESENTATIVES OF THE GERMAN PARTIES, INCLUDING
THE OPPOSITION, AGREED TO ESTABLISH AT THE BEGINNING OF NEXT YEAR A GERMAN
INTELLIGENCE SERVICE UNDER THE CHANCELLOR AND TO TRANSFER OUR ORGANIZATION
TO THE GERMAN GOVERNMENT AS A NUCLEUS FOR THE FUTURE GIS. I THANK YOU VERY
MUCH THAT YOU AS HEAD OF THE AMERICAN INTELLIGENCE SERVICE GAVE THE POSSIBILITY
TO BUILD UP THE FOUNDATION OF A GERMAN SERVICE WHICH WILL CONTINUE TO COOPERATE
CLOSELY WITH THE UNITED STATES' SERVICES IN THE FUTURE IN OUR FIGHT AGAINST
THE COMMON ENEMY.

SINCERELY YOURS

ROGER GEHLEN"

END OF MESSAGE

SECRET/RELEASE
TO GERMANY ONLY
SECRET

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CLASSIFIED MESSAGE

ORIG : RICHARD HELMS
 UNIT : CHIEF OF OPERATIONS, DD/P
 EXT : 2011
 DATE : 23 DECEMBER 1955

SECRET/RELEASE
TO GERMANY ONLY

ROUTING

10114010

S

8

TO : PULLACH
 FROM : DIRECTOR, CENTRAL INTELLIGENCE AGENCY
 CONF : COP 1
 INFO : DCI 2, D/DCI 3, A/DD/P/P 4, EE 5-6, S/C 7-8

F. W. Wisner

DIR 39932 (OUT 54200)

22532 23 DEC 55

PRIORITY

PRECEDENCE

TO: FULL

INFO: FRAN

CITE: DIR

FROM [REDACTED]

attached

PLEASE ACKNOWLEDGE GEHLEN'S STATEMENT CONTAINED FULL 2828 (IN 44303) WITH FOLLOWING MESSAGE: QUOTE MAY I EXTEND MY WARMEST CONGRATULATIONS TO YOU ON THE FAVORABLE DECISION WHICH YOU WERE SO THOUGHTFUL AS TO CONVEY TO ME IN YOUR MESSAGE OF 21 DECEMBER. YOU CAN IMAGINE WITH WHAT GRATIFICATION I RECEIVED THIS NEWS AND WITH WHAT HOPEFULNESS I VIEW THE FUTURE COLLABORATION WHICH I KNOW WILL CONTINUE BETWEEN OUR TWO SERVICES. DURING THE POST-WAR YEARS, YOUR RELATIONSHIP WITH US HAS BEEN ONE OF DIGNITY AND MUTUAL RESPECT WHICH AUGURS WELL FOR THE FUTURE. AS I LOOK BACK OVER THE PROBLEMS AND DIFFICULTIES WHICH WE HAVE FACED TOGETHER, IT IS WITH SATISFACTION IN THE THOUGHT THAT THEY HAVE BEEN SUCCESSFULLY SURMOUNTED ON THE BASIS OF OUR COMMUNITY OF INTEREST AND THE UNDERSTANDING AND ESTEEM WHICH HAS DEVELOPED BETWEEN OUR RESPECTIVE REPRESENTATIVES.

AS WE GO INTO THE CHRISTMAS SEASON AND THE NEW YEAR I WANT TO WISH YOU EVERY SUCCESS AND TO ASSURE YOU THAT YOU MAY COUNT UPON US IN THE FIGHT AGAINST THE COMMON ENEMY. FAITHFULLY YOURS, [REDACTED] UNQUOTE.

(END OF MESSAGE)

CABLE SECRETARIAT COMMENT: AT THE DIRECTION OF THE CABLE SECRETARIAT DUTY OFFICER, THIS CABLE HAS BEEN WITHHELD FROM DISSEMINATION APPLICABLE TO [REDACTED] CABLES.

FRANK G. WISNER
 DEPUTY DIRECTOR (PLANS)

COORDINATING OFFICERS

RELEASING OFFICER

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GEHLEN ORGANIZATION--The Federal Government has taken over the Gehlen Organization which will function henceforth under the name of Gederal ^{FEDERAL} Intelligence Service (Bundesnachrichtendienst). It is to be supervised by a committee of State Secretaries, headed by State Secretary Globke. It has been learned that for the time being 2,000 members of the Gehlen Organization will be employed by the new service. (Mainz, ALLGEMEINE ZEITUNG, Jan. 3, 1956--G)

Extracted: DAILY REPORT, FOREIGN RADIO BROADCASTS No. 3 - 1956

File: ZIPPER Transfer

SECRET/RELEASE TO GERMANY ONLY

REL Ger
Secret

320
DATE : 23 JAN 56SECRET RELEASE
TO GERMANY ONLY

S-E-C-R-E-T

ROUTING

1	FE/FG/12	4	ER/FG
2	ER/FG	5	C/1A
3	C/1A	6	COP

TO : DIRECTOR
FROM : PULLACH
ACTION: EE 1-6

ST/D added

INFO : DCI 7, D/DCI 8, COP 9, CI 10, CI/OPS 11, FI 12, FI/OPS 13, FI/RQM 14-16,
FI/RI 17-18, PP 19-20, PP/OPS 21, S/C 22-23, (SUSPENSE DD/I)

PULL 3108 (IN 14766)

0011Z 24 JAN 56

ROUTINE

TO: FRAN

INFO: DIR, BONN

PRECEDENCE

CITE: PULL

1. NOW APPEARS PROBABLE BUNDESNACHRICHTENDIENST (BND) WILL BE ESTABLISHED ON BASIS ACTION CABINET 12 JULY 55; THAT NO EXECUTIVE ORDER WILL BE ISSUED; THAT NO OFFICIAL ANNOUNCEMENT WILL BE MADE.
2. ONE MORE MEETING OF FRACTION LEADERS TO APPROVE BUDGET IS REQUIRED. ONCE THIS DONE [REDACTED] WILL SEND BRIEF STATEMENT TO [REDACTED] AS KUBARK AND NOT AS [REDACTED] THAT UPGROWTH IS PREPARED ACCEPT RESPONSIBILITY FOR ZIPPER, [REDACTED] AND [REDACTED]; DETAILS TO BE ARRANGED AND CARRIED OUT WITH UTILITY, CHIEF OF BDN.
3. THE 12 JAN 56 FRANKFURTER RUNDSCHAU STORY AND EDITORIAL BY FRIED WESENANN ESTABLISHMENT OF BDN IS CONSIDERED BY UTILITY TO BE A NEAR OFFICIAL VERSION.
4. UTILITY STATES BOTH FIN MIN SCHAEFER AND MELLIES OF SPD HAVE AGAIN ASSURED HIM THEY SEE NEITHER FINANCIAL NOR POLITICAL OBSTACLES TO IMPLEMENTATION PLAN.
5. BELIEVE KUBARK REPS SHOULD REFRAIN FROM MAKING STATEMENTS ON ESTABLISHMENT BDN EXCEPT ON BASIS OFFICIAL COMMUNICATION FROM UPGROWTH. IT NOW APPEARS TO BE UPGROWTH DESIRE TO PLAY DOWN EXACT RELATIONSHIP

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SECRET/RELEASE
TO GERMANY ONLY

23 JAN 56

PULL 3108 (IN 14766)

PAGE -2-

ESTABLISHMENT BND AND TRANSFER ZIPPER. BELIEVE KUBARK LINE SHOULD BE THAT WE INITIATED ACTION MONTHS AGO TO TRANSFER TO UPGROWTH VARIOUS GERMAN INTELLIGENCE ASSETS, INCLUDING ZIPPER, HELD IN TRUSTEESHIP BY US. THIS BEING ACCOMPLISHED AS RAPIDLY AS UPGROWTH ABLE ASSIMILATE.

6. EVEN IF UPGROWTH ASSUMES FULL FINANCIAL RESPONSIBILITY EARLIEST POSSIBLE DATE 1 MARCH, PULLACH PROPERTY WILL NOT BE DEREQUISITIONED UNTIL SOME TIME APRIL WHEN A CURRENT CONSTRUCTION PROGRAM TO REORGANIZE COMPOUND TO (A) OPEN LONG DISPUTED HEILMANNSTRASSE THROUGH COMPOUND AND (B) ESTABLISH BDN EVAL GROUP IN SEPARATE AREA TO WHICH [REDACTED] AND SERVICE LIAISON OFFICERS WILL HAVE FREE ACCESS.

7. UNTIL UTILITY HAS FIRM COMMITMENT ON BUDGET FIGURE, WE UNABLE FIRM UP KUBARK FINANCIAL REQUIREMENT FOR PERIOD BEGINNING 1 APR 56. WILL CABLE EARLIEST POSSIBLE DATE ESTIMATE OF FUNDS FOR 1 APR TO 30 JUNE AND FOR FY 1 JULY 56 TO 30 JUNE 57 FOR ZIPPER PROJECT.

8. UTILITY AND ZIPPER STAFF CURRENTLY GIVING MUCH ATTENTION TO DEVELOPMENT RELATION WITH FONOFF. THIS INITIATED WITH HOLIDAY MEETING UTILITY FUMMIN VON BRENTANO IN ROME AND CONTINUED AT WORKING LEVEL BONN AND PULL SINCE THAT TIME. UTILITY SAYS IT GOING WELL.

9. UTILITY OTHER MAIN PROBLEM IS ESTABLISHMENT CLOSE RELATIONSHIP WITH DR. SCHRUEBBERS. ZIPPER SPONSORED PRESS STORIES HAVE EMPHASIZED SEPARATION OF FUNCTIONS. IN PARLIAMENTARY COMMITTEES UTILITY HAS EMPHASIZED THAT CLOSE COOPERATION BND AND BFV UTMOST IMPORTANCE. UTILITY

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S-E-C-R-E-T

23 JAN 56

PULL 3108 (IN 14766)

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CONCERNED BY NUMBER INTERNAL SECURITY PROBLEMS BEING BROUGHT TO ZIPPER BY BOTH NON OFFICIAL AND OFFICIAL GERMANS WHO EXPRESS LACK CONFIDENCE BFV. HAS INVITED SCHRUEBBERS TO PRIVATE DINNER WITH HIM IN BONN END JAN AT WHICH HE WILL PROPOSE CLOSEST PERSONAL COOPERATION IN QUIETLY HANDLING SUCH CASES BETWEEN THEM AND BEGIN COMMON EFFORT EDUCATE OFFICIALS ON RESPECTIVE ROLES.

10. MOVEMENT POB CENTRAL FILES AND OPERATIONS STAFF OUT OF PULLACH COMPLETED 21 JAN WITHOUT INCIDENT.

END OF MESSAGE

SECRET/RELEASE
TO GERMANY ONLY

S-E-C-R-E-T

SECRET/RELEASE
TO GERMANY ONLY SECRET

EOLA 17 510

25 JAN 1956

Chief, EE (Attn: [REDACTED])

INFO: 009

Chief of Base, Pulisch

Operational

Frankfurter Rundschau GENLEN STORY, 12 Jan 56

1. I suspect that this is the official SPD release on the GENLEN Organization story. I received the attached reproduction from GENLEN who obviously attached considerable importance to it. It is a statement of clear-cut endorsement of the decision with a quiet but very firm note of warning that ADEMAUER and OLOHKE should not attempt to misuse or take advantage of national intelligence service established with the agreement of the opposition in the hands of the executive.

2. Reading this, GENLEN must look back with a good deal of satisfaction on the 48 hour period of 20 and 21 September 1956 in which he initiated his own personal contacts to both Chancellor ADEMAUER and Kurt SCHENKELER with the announced purpose of achieving an "uberparteilich" intelligence solution.

Attn: 1
Newspaper article

HIST
EE - 3 w/1 copy of att
COO - 2 w/o att

EE/G
EE/Plans
EE/COP
C/GE
C/FI

SECRET

23 Jan 56

SECRET/RELEASE
TO GERMANY ONLY

ZIPPER TRANSFER AND
BILATERAL

attach to EGLA - 17540

Frankfurter Rundschau

Jahrgang 2. Nummer 10

Wv

Donnerstag, 12. Januar 195

Gehlen-Dienst wird übernommen

Bundesnachrichten-Organisation untersteht ab 1. Februar Adenauer und Globke

Drahtbericht unseres Bonner Korrespondenten Fried Wesemann

BONN, 11. Januar. Zum 1. Februar dieses Jahres soll ein Bundesnachrichtendienst geschaffen werden, verlaufen von unterrichteter Seite. Diese seit langem gehegte Absicht der Bundesregierung bedeutet praktisch die Übernahme der sogenannten Gehlen-Organisation. Der ehemalige General Reinhard Gehlen hatte im Auftrage der amerikanischen Besatzungsmacht kurz nach dem Kriege einen Auslands-Nachrichtendienst aufgebaut, dessen Personal sich hauptsächlich aus Angehörigen der militärischen Abwehr zusammensetzte.

Nach Abschluß der Pariser Verträge beschloß die amerikanische Armee, ihre Beziehungen zur Gehlen-Organisation abzubauen; sie stellte jedoch die finanziellen Mittel dafür weiter zur Verfügung. Gehlen arbeitet im Einverständnis mit seinen amerikanischen Auftraggebern seit Jahren eng mit der Bundesregierung zusammen. Die Übernahme dieser Organisation soll eine Prüfung ihrer Angehörigen vor dem Übergang ins Beamtenverhältnis nicht ausschließen, heißt es.

Der seit geraumer Zeit vorliegende Plan der Bundesregierung, den Bundesnachrichtendienst zu einer selbständigen Bundesoberbehörde zu machen, dürfte nach dem gegenwärtigen Stand der Dinge nicht verwirklicht werden. Reinhard Gehlen, dem die Bundesregierung im Einverständnis mit allen Parteien einschließlich der SPD die Leitung des Nachrichtendienstes übertragen will, wird den Rang eines Ministerialdirektors haben und dem Bundeskanzler sowie dessen Staatssekretär Globke direkt unterstehen. Diese Lösung, den Nachrichtendienst als Abteilung in das Bundeskanzleramt einzufügen, entspricht den Regelungen, die beispielsweise auch die USA und Großbritannien getroffen haben. Unabhängig von dieser Dienstausricht soll jetzt für die Auswertung ein besonderes Verfahren angewendet werden.

Der Bundesnachrichtendienst wird, wie weiter zu erfahren war, in klarer Abgrenzung vom Verfassungsschutz nur der Aufklärung im Ausland und der Spionageabwehr dienen. Das Informationsmaterial soll gleichzeitig den interessierten Ressorts zugänglich gemacht werden. Dazu gehören neben dem Bundeskanzleramt, dem Auswärtigen Amt und dem Verteidigungsministerium etwa auch das Wirtschaftsministerium und das Innenministerium, dem der Verfassungsschutz untersteht.

Ein großer Teil der Angehörigen der Gehlen-Organisation besteht aus ehemaligen Offizieren. Dem Vernehmen nach ist geplant, aktive Offiziere aus dem Verteidigungsministerium zeltweise in die Zentrale des Nachrichtendienstes als Sachverständige für militärische Auswertung abzustellen. Das Bundesverteidigungsministerium hat mit anderen Regierungsstellen Uebereinstimmung darüber erzielt, daß — entsprechend früheren deutschen Grundsätzen — die Militärrätsäle in den Auslandsemissionen nicht mit Abwehraufgaben betraut werden.

Bei der Regierung und im Parlament besteht Einverständnis darüber, daß die haushaltstrechlichen Voraussetzungen für die Übernahme der Gehlen-Organisation in Bundesdienste so bald wie möglich geschaffen werden müssen. Die erforderlichen Mittel sollen im Haushaltshaushalt für 1955, der vom Haushaltsausschuß gegen-

wärtig beraten wird, ausgewiesen werden. Es heißt, daß mit der Übernahme durch den Bund keine amerikanischen Gelder mehr bezahlt aber der amerikanischen Armee auch keine Berichte mehr geliefert werden.

Keine bindenden Absprachen über Parlamentskontrolle

Über die Form, in der eine Parlamentskontrolle über den Auslandsnachrichtendienst ausgeübt werden könnte, besteht zwischen Regierung und Bundestag zwar ein grundsätzliches Einverständnis, doch wurden in den letzten Besprechungen, die der Kanzler mit den Vertretern der Fraktionen abhielt, nach vorliegenden Informationen keine bindenden Absprachen getroffen. Es wird angestrebt, daß jeweils ein Beauftragter der Parlamentsfraktionen Einblick in Aufbau und Arbeitsweise des Bundesnachrichtendienstes erhält.

Deutsch-jugoslawische Verhandlungen beginnen in Bonn

fw BONN, 11. Januar (Eig. Bericht). Die seit langem geplanten Verhandlungen zwischen den Regierungen Jugoslawiens und der Bundesrepublik über die Abgeltung der jugoslawischen Forderungen aus der Kriegszeit sollen am nächsten Montag in Bonn eröffnet werden. Die jugoslawische Delegation wird von dem Unterstaatssekretär im Außenministerium, Birkc, geführt. Auf deutscher Seite werden sämtliche interessierten Bundesministerien, und zwar für Auswärtiges, Finanzen, Wirtschaft, Landwirtschaft und Arbeit, sowie die Bank deutscher Länder vertreten sein.

Freitag, 13. Januar 1956

Frankfurter Rundschau

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Mitbegründer Arno Rudert † 27. 3. 1954.

Geheimorganisation im Bundesdienst

Von Fried Wessmann

Nichts ist weniger für eine öffentliche Erörterung geeignet als eine Einrichtung der Spionagesabwehr. Daß die geheimnisumwitterte Gehlen-Organisation seit Jahren einen unerschöpflichen Gesprächsstoff bildet, hängt in erster Linie damit zusammen, daß dies Thema immer noch romantisch verbrämt wird. Nicht ohne Grund gilt Gehlen jenseits des Eisernen Vorhangs als Feind Nr. 1. Wenn jetzt die Bundesregierung im Begriff steht, diese Organisation in Bundesdienste zu übernehmen, so erhält die Bundesrepublik damit ein weiteres Attribut des souveränen Staates. Der Staatsbürger hat einen Anspruch darauf, daß beim Aufbau eines Bundesnachrichtendienstes nach den gleichen Grundsätzen verfahren wird, die für alle Behörden gelten. Die unerlässliche Geheimhaltung der inneren Struktur und Arbeitsweise dieses Dienstes darf jetzt und künftig nicht zum Vorwand dafür genommen werden, daß das Ganze einer öffentlichen Kontrolle entzogen wird.

Über die Notwendigkeit eines Auslandsnachrichtendienstes herrscht seit Jahren unter allen demokratischen Parteien vollkommene Übereinstimmung. Besonders die Abwehr militärischer Spionage gehört ebenso wie die innerstaatliche Beobachtung umstürzlicher Elemente zu den Sicherheitsvorkehrungen, auf die kein Staat verzichten kann. Jede moralische Entrüstung ist hier fehl am Platz; und je lauter im Osten dagegen gewettet wird, desto ernster muß diese Aufgabe genommen werden. Man wird sich jenes Deutschen polnischer Abstammung erinnern, der auf Empfehlung von Parteistellen in die damalige Dienststelle Blank eingeschleust wurde und ungestört seine polnischen Auftraggeber mit Geheimsachen beliefern konnte. Hier geht es nicht nur um die Sicherheit der Bevölkerung, sondern auch um eine vertrauliche Zusammenarbeit mit den Westmächten.

Eine Abwehrorganisation kann, wenn überhaupt, nur in Jahrzehnten aufgebaut werden. Man braucht dafür zuverlässige und sachverständige Militärs und Politiker in der Zentrale und saubere Mitarbeiter in den Untergliederungen. Aus der heutigen Sicht war es ein Verdienst, daß Gehlen nach dem Zusammenbruch einen Teil jener Offiziere zusammenhielt, die in der Abwehr gearbeitet hatten. Bis auf

wenige Verbindungsstellen hat diese Organisation selbständig unter der Leitung Gehlens gearbeitet. Der ehemalige General, der sich gleichsam als Statthalter der deutschen Interessen auf diesem Gebiet betrachtete, hat nach der Gründung der Bundesrepublik die Verbindung zu Regierung und Opposition aufgenommen und seine Lageberichte zur Verfügung gestellt. Es leuchtet ein, daß die Westmächte in Verlegenheit gerieten, als sich nach dem Inkrafttreten der Pariser Verträge die konkrete Frage stellte, ob diesen mächtvolle Instrument aufgelöst oder der deutschen Regierung überantwortet werden sollte.

Eine Weile hatte man erwogen, die Gehlen-Organisation als den Kern einer Abwehr der supranationalen Verteidigungsgemeinschaft zu benutzen. Doch hielten die Staaten auf keinem anderen Gebiet ihre Eigenständigkeit so sehr wie auf diesem Gebiet. Und trotz der Zusammenarbeit, die unter Bündnispartner umganglich ist, bleibt in der Auslandsaufklärung die nationale Konkurrenz bestehen. Eine Auflösung wäre, soweit die frühere amerikanische Besatzungsmacht überhaupt noch Einfluß darauf haben könnte, auch deshalb problematisch gewesen, weil Mitarbeiter der Organisation dann bei anderen ausländischen Dienststellen Beschäftigung gesucht hätten.

Gehlen hat sich in den Verhandlungen mit der Bundesregierung auf den Standpunkt gestellt, daß nur eine geschlossene Übernahme der Organisation in Frage kommen könne. Er glaubte dies seinen Mitarbeitern schuldig zu sein. Wenn jetzt so verfahren wird, so bedeutet dies freilich nicht, daß die Angehörigen des Apparates bei der Übernahme der sorgfältigen personellen Prüfung entzogen werden, die für alle Angehörigen des öffentlichen Dienstes gilt. Der 53jährige ehemalige General ist als integre Persönlichkeit von allen Stellen anerkannt, die in der Regierung und im Parlament zu Rate gezogen wurden. Lange bevor die Übernahme zur Diskussion stand, hat Gehlen selbst in Bonn zu verstehen gegeben, daß ein Auslandsnachrichtendienst eine dauernde nationale Einrichtung sei und mithin von allen

demokratischen Parteien getragen werden müsse. Es sollte alles vermieden werden, um diesen Dienst zum Instrument etwa einer Partei oder Parteilinie werden zu lassen. Ob hierfür tatsächlich die Voraussetzungen geschaffen werden, bleibt abzuwarten. Der Bundesregierung kann nicht daran gelegen sein, daß auch dieses Problem zu einem innerpolitischen Streitgegenstand wird. Vernünftige Forderungen, die das Parlament stellt, müssen daher erfüllt werden!

Für den Kanzler und das Bundeskanzleramt bedeutet die Übernahme einen außerordentlichen Machtwuchs. Daß man dem Beispiel anderer demokratischer Staaten folgt und dem Regierungschef diesen Apparat an die Hand gibt, ist auch ein Beweis für das staatpolitische Denken der Opposition. Jeder personalpolitische oder politische Mißbrauch der Organisation würde sich, von dem Schaden für die Allgemeinheit abgesehen, an den Verantwortlichen bitter rächen müssen. Gerade in diesem Falle sollte man in der Koblenzer Straße nie vergessen, daß die Regierungsmacht morgen in anderen Händen liegen kann!

**SECRET/RELEASE
TO GERMANY ONLY**

Extract: "Daily Report, Foreign Radio Broadcasts No. 23 — 1956"

GEHLEN ORGANIZATION--The official transfer of the Gehlen Organization to the newly established Federal Intelligence Service, which was scheduled for Feb. 1, had to be postponed because of budget difficulties. The Bundestag insists on a detailed financial plan for the new organization which will have to be underwritten by a supplementary budget act. Since the Government has so far failed to supply the required information, the transfer is still being held in abeyance. (Munich, SUEddeutsche Zeitung, Feb. 1, 1956--G)

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TO GERMANY ONLY**

Secret
REL Ger

312

CLASSIFIED MESSAGE

DATE : 2 FEB 56

S-E-C-R-E-T

ROUTING	
1	SECRET RELEASE
2	CC
3	0

TO : DIRECTOR

FROM : PULLACH

ACTION: EE 1-2

INFO : COP 3, S/C 4-5

SECRET RELEASE
TO GERMANY ONLY

OCT, DDG, L/FI + STD added

PULL 3228 (IN 18903)

2031Z 2 FEB 56

TO: DIR

INFO: FRAN, BONN

ROUTINE
PRECEDENCE
CITE: PULL

DESENSITIZED

1. UPSWING ESTABLISHMENT BASED ON THREE EVENTS: CABINET DECISION 55-423
12 JULY 55, FINANCING AND RESPONSIBILITY FROM 1 FEB 56, FINAL ESTABLISHMENT
UPSWING WITH TABLE ORGANIZATION AND BUDGET APPROVED BY BOTH EXECUTIVE AND
LEGISLATIVE ELEMENTS FEDREP GOVT ON 1 APR 56. AS PRACTICAL MATTER ZIPPER
LEGALIZED 1 FEB. ALSO "L" DAY IN ZIPPER KUBARK BILATERAL AGREEMENT IS
1 FEB 56. FINAL MOVE KUBARK STAFF FROM NIKOLAUS 18 FEB. AGREEMENTS ON
ARRANGEMENTS FUTURE ACCESS NIKOLAUS AND LIAISON ARRANGEMENT APPEAR SATISFACTORY.

2. AFTER MUCH DISCUSSION AND NEGOTIATION IT HAS BEEN AGREED UPGROWTH
WILL RETURN TO KUBARK VIA UPSWING ADVANCES FOR FEB AND MARCH 1956. RETURN OF
FUNDS WILL BE COVERT VIA ZIPPER FINANCE CHANNEL AGAINST RECEIPT BY KUBARK STAFF
OFFICER USING ALIAS. FOR MARCH THIS WILL BE ONLY A PAPER TRANSACTION SINCE
FUNDS RECEIVE FROM UPGROWTH IN FEB WILL BE RETURNED TO ZIPPER FOR MARCH FUND-
ING. EXCLUDED WILL BE CERTAIN COSTS INCLUDING CERTAIN OPERATIONS SUCH AS
CARTAGE NOT INCLUDED IN UPSWING FEB AND MARCH BUDGETS SUBMITTED TO UPGROWTH.
ENTIRE FINANCIAL TRANSACTION PERIOD UP TO 1 APR WILL BE COVERT WITH DOCUMENTS
CONCERNED RETAINED BY FIN MIN. CERTAIN ONE TIME COSTS OF PRIMARY INTEREST *See pg 1*

SECRET RELEASE
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ZIPPER TRANSFER &
BILATERAL AGREEMENT
IT IS FORBIDDEN TO MAKE A COPY OF THIS MESSAGE Copy No.

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**SECRET/RELEASE
TO GERMANY ONLY**

2 FEB 56

BULL 3228 (IN 18903)

PAGE 2

KUBARK WILL ALSO NOT BE REIMBURSED. NET RESULT WILL BE UPGROWTH ASSUMING MAJOR FINANCIAL BURDEN FOR FEB AND MARCH. WILL CABLE DETAILS WHEN WORKED OUT.

3. ESTIMATE WE WILL BE BY 15 FEB BE ABLE GIVE FRAN AND DIR CLEAR STATEMENT FINANCIAL SITUATION REMINDER CURRENT QUARTER ENDING 31 MAR AND REQUIREMENTS FOR FUNDING FOURTH QUARTERS AND ALL OF FY 1947.

4. ADVISED WENDT OF ZIPPER STAFF WE WOULD CONTINUE RUN [REDACTED] AND [REDACTED] AND PAY COSTS AT LEAST UNTIL 1 APR 56 TO PROVIDE MORE LEISURELY EXAMINATION OF PROBLEM.

5. ANTICIPATE [REDACTED] WILL IN NEXT FEW DAYS PROVIDE [REDACTED] BRIEF WRITTEN STATEMENT ON UPGROWTH ACCEPTANCE ZIPPER INCLUDING FINANCIAL SUPPORT EFFECTIVE 1 FEB. UTILITY IN BONN HAS IN HAND OFFICIAL LETTER SIGNED BY FIN MIN SCHAEFER ON FUNDING FROM 1 FEB.

6. ALTHOUGH NO OFFICIAL WORD FROM UTILITY, WE ANTICIPATE THAT UPGROWTH WILL GIVE HIM RESPONSIBILITY CONTINUING INTELL NEGOTIATIONS THAT STEM FROM, TREATIES AND ARE RELATED COLLECTION OF INTELLIGENCE, INCLUDING EXPLOITATION OF PWS, REFUGEES AND RETURNEES FROM SOV BLOC. ALSO ANTICIPATE THESE RESPONSIBILITIES WILL BE DELEGATED BY UTILITY TO HIS BONN LIAISON OFFICE FOR NEGOTIATION WITH OCA. WE BELIEVE THIS DESIRABLE SOLUTION TO KEEP THIS TYPE NEGOTIATION SEPARATED FROM (A) THE CLANDESTINE SERVICE LIAISON CHANNEL AND (B) THE MORE OVERT EVALUATION LIAISON CHANNEL THAT WILL BE FORESEEABLE FUTURE ALSO BE CARRIED OUT IN MUNICH SOMEWHAT INDEPENDENT OF THOUGH COORDINATED WITH OUR CLANDESTINE LIAISON.

END OF MESSAGE

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TO GERMANY ONLY**

Secret
REL Ger

033

CLASSIFIED MESSAGE

DATE : 5 FEB 56

S-E-C-R-E-T

ROUTING

1	<i>Edelheit - Z</i>	4
2	<i>DET</i>	5
3		6

TO : DIRECTOR
FROM : BONN
ACTION: EE 1-2
INFO : COP 3, S/C 4-5

SECRET/RELEASE
TO GERMANY ONLY

BONN 3684 (IN 19795)

1229Z 5 FEB 56

ROUTINE
PRECEDENCE

TO: DIR

INFO: FRAN, PULL

CITE: BONN

RE: PULL 3228 (IN 18903)

CONVERSATION WITH [REDACTED] 3 FEB CONFIRMS REF INCLUDING FEB 1 DATE FOR FINANCING ALTHOUGH [REDACTED] POINTED OUT THAT FEW TECHNICAL FINANCE POINTS REMAIN AND AUTHORIZATION NOT YET FORMALLY SIGNED ALTHO ON [REDACTED] DESK.

END OF MESSAGE

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Loyalty

ZIPPER TRANSFER

S-E-C-R-E-T

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SECRET/RELEASE
TO GERMANY ONLY

WIA 17 986

28 FEB 1956

Chief of Station, Frankfurt

INFO: BE
BONN

Chief of Base, Pullach

Operational

Statement for ICGO on the Establishment of the
Bundesnachrichtendienst (BND)

1. It is recommended that an official statement on this matter be made at the next ICGO meeting. In making a statement it seems to me that we have a twofold purpose: (a) to advise the members of the ICGO of the termination of our financial and political responsibility for the project that we have supported since 1 July 1949; and (b) to report on the status of the establishment of the Bundesnachrichtendienst (BND). It is believed that something along the following line will accomplish this:

a. The decision made in the 12 July 1955 meeting of the Cabinet of the Federal Republic regarding the establishment of a German Intelligence Service contained the following four points:

(1) The Federal Republic would establish a Service.

(2) The German organization headed by former General Reinhardt GEHLEN which had been financially supported and, with the approval of the Federal Republic government, held in "trusteeship" by ONUKE authorities, would be accepted as the nucleus of such an organization.

(3) The German Intelligence Service would be subordinated to the Chancellery of the Federal Republic.

(4) The budget submitted by GEHLEN and reviewed by the Comptroller (Bundesrechnungshof) of the Federal Republic government was approved.

b. Items (1) and (2) received immediate parliamentary committee approval prior to the adjournment of the government for the 1955 summer holiday. Item (3) received the necessary political support from all major parties, including the opposition SPD, early in 1956. Although a regular budget for a German Service will appear only in the new Federal Republic budget commencing 1 April,

REF ID:

1 CDR

2 IR

2 BONN (Attn: Offenbach)

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-2-

HOL 17 986
27 Feb 56

1956, the government has assumed already almost full responsibility for the current cost of the project.

c. The government of the Federal Republic has informed us that there will be neither an executive order nor a public announcement dealing with the establishment of a German Intelligence Service. It has been generally agreed that legislation on this subject will be introduced during the next year.

d. No final decision has been reached with regard to the civil service or military status of any individual or any staff position in the organization. It appears that the head of the Service will be a civil service position although a high percentage of the staff positions will be filled by officers of the Bundeswehr on detached service to the intelligence service.

e. Pending the establishment of a German Intelligence Service by legislative action, the title "Bundesnachrichtendienst" is being utilized in official documents.

f. I have not touched at all on the issue of liaison arrangements or the jurisdiction of the Bundesnachrichtendienst since these were spelled out in the draft prepared for [redacted] the first week in February. Such a letter would obviously be the companion piece to the above proposed statement.

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SECRET

DISPA. I NO. ECLA 18 475

(SPECIFY AIR OR SEA POUCH)

**SECRET/RELEASE
TO GERMANY ONLY**

CLASSIFICATION

TO : Chief, EE
 (Attn: [REDACTED])
 FROM : Chief of Base, Pullach
 SUBJECT: GENERAL— Operational

DATE:

30 Mar 56

SPECIFIC— Financial Transactions with UPSWING and Federal Republic Finance Ministry

1. Attachments A and B are copies of receipts given the representative of the Finance Ministry on 16 February and 13 March respectively in repayment of an equal sum DM 4, 350,000 advanced in cash as a loan to UPSWING for its February and March 1956 expenses. The Finance Ministry representative drew the funds in cash from a Munich bank against a Finance Minister check. These funds were then delivered to the POB finance officer in the presence of an UPSWING finance representative and receipted for in the alias indicated.
2. Attachments C and D are official requests signed by @WENDT, the administrative UPSWING deputy, for the total funds provided on loan as an advance to UPSWING for the period February-March 1956.
3. Attachment E, a memorandum to UPSWING from us, completes the transaction between us, UPSWING and the Federal Finance Minister for the months of February and March 1956.
4. Our support to ZIPPER during this period has been limited to the payment of comparatively minor obligations for which Federal Republic funds were not available. These will be reported upon by POB according to established procedures. As reported in other correspondence, the UPSWING budget for the FY beginning 1 April 1956 is being negotiated in Bonn during the last week in March 1956. Until the decision on the final budget figure is known, we are unable to accurately forecast our own future financial support to UPSWING through the continuation of the ZIPPER project.
5. The attached documents are historically significant in that they represent the only written evidence of the transfer effected 1 February 1956.
6. We have been assured that the original signed receipts (Attachments A and B) will reside in the safe of the Finance Minister and receive appropriate security handling.

Atts: 5

A thru E as above

*See Att note — us attachments
with this copy - R/CC*

DIST
 ✓3 EE, w/1 cy ea att
 3 COS " " "

29 Mar 56
 FORM NO. 51-28A
 MAR. 1949

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TO GERMANY ONLY**

ZIPPER TRANSFER

Secret
REL Ger

Ott EOLA 18475

**SECRET/RELEASE
TO GERMANY ONLY**

Reing Nr.

QUITTUNG

Über

DM 2.250.000,- (Zwei-Millionen-zweihunderfünftausend M)

vom Bundesministerium der Finanzen

für Rückzahlung eines Vorschusses (Monat Februar)

erhalten:

den 16. Februar 1956

(Ken J. Marshall, Colonel US.
United States Army)

**SECRET/RELEASE
TO GERMANY ONLY**

18475
ATTACH "A" EOLA

REL Ger
Secret

Ull 29/2 18475

**SECRET/RELEASE
TO GERMANY ONLY**

Quittung

Über DM 2.100.000.-- (in Ziffern)

Deutsche Mark, Zweimillioneneinhunderttausend (in Worten)

vom Bundesministerium der Finanzen
für Rückzahlung eines Vorschusses
richtig erhalten zu haben bescheinigt.

Dem 13. März 1956

[Redacted]
(Unterschrift)
(Kent J. Marshall,
Colonel, GS,
United States Army)

**SECRET/RELEASE
TO GERMANY ONLY**

ATTACH "B" EGC A 18475

JKS
Geheim
SECRET/RELEASE
TO GERMANY ONLY

20 March 1956
No. /56 geh.

TO : 801

FROM : 88

SUBJECT : Advance of Funds by 801
- Reimbursements by Bundesfinanzministerium -

The following payments were made:

	to 88	to 801
by 801, Feb 1956	1.960.800.-	
by 801, Mar 1956	2.250.000.-	
by Bundesfinanz- ministerium		2.250.000.-
by Bundesfinanz- ministerium		2.100.000.-
Totals	4.210.800.-	4.350.000.-

Thus, the amount of DM 139.200.- remains to the credit of 88 and it is requested that it be made available to the organization.

Wundt

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TO GERMANY ONLY

Deputy for general affairs

39/139

Geheim

20. March 1956

SECRET/RELEASE
TO GERMANY ONLY

TO : 801

FROM : 88

SUBJECT : Request for Advance of Funds to be Reimbursed
by Bundesfinanzministerium

This request supersedes and consolidates all previous
requests for funds for the months of February and March 1956.

A. Advance Normal February Costs	- 1.890.800.—
B. Advance Travel Costs February	- 70.000.—
C. Advance Normal March Costs	- 1.960.000.—
D. Advance for unspecified activities especially in connection with release of Heilmannstrasse	- 429.200.—
	<hr/> 4.350.000.—

Mundt

Deputy for general affairs

SECRET/RELEASE
TO GERMANY ONLY

Secret
REL Ger

**SECRET/RELEASE
TO GERMANY ONLY**

No. 13028

23 March 1956

TO: 510/5208
FROM: 801/827
SUBJECT: Financial Transactions February and March 1956.

1. At the request of GAMMA, funds in the amount of DSW 4,110,500 have previously been forwarded as an SOS cash advance for March and February GAMMA expenses during this period.
2. Forwarded herewith is the additional sum of DSW 1,30,000 requested by GAMMA as a cash advance for current March GAMMA expenses.
3. Inasmuch as the Finance Ministry has repaid these advances in full for a total amount of DSW 4,350,000, the SOS/81784/Finance Ministry financial transactions for the period of February and March 1956 has been concluded.

891

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ATTACH "E" EGLA 18475

REL Ger
Secret

COPY

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19 April 1956

MEMORANDUM FOR: Director of Central Intelligence
SUBJECT: Establishment of a German Intelligence Service

1. This memorandum suggests action on the part of the DCI. Such suggested action is contained in paragraph 2.

2. It is recommended that the following announcement be made to the Intelligence Advisory Committee:

The German intelligence organization headed by former General Reinhard GEHLEN which has been held in trusteeship by CIA since 1 July 1949 has recently been transferred to the German Federal Republic and will form the nucleus of a German Intelligence Service. CIA is, accordingly, relieved of financial and political responsibility for the project. This development is in fulfillment of a decision of the Cabinet of the German Federal Republic of 12 July 1955 which further provided that the Intelligence Service be subordinated to the Office of the Chancellor of the Federal Republic. Through the action of the competent parliamentary committees in early 1956, this plan was accorded the necessary political support of the major political parties including the opposition Social Democratic Party. Provision for financial support of the organization is contained in the new budget of the German Federal Republic. CIA has been informed by the government of the German Federal Republic that neither an executive order nor a public announcement dealing with the establishment of a German Intelligence Service is planned at this time. It is anticipated that legislation on this subject will be introduced during the next year. Pending the establishment of a German Intelligence Service by legislative action, the title "Bundesnachrichtendienst" (Federal Intelligence Service) is being utilized in official documents.

John A. Gross
Chief, Eastern European Division

EE/G/Z//
Distribution:
Orig & 1 - Addressee
2- EE/G/Z
1 - C/EE

SECRET

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FILE "UPSWING"
TRANSFER

SECRET
SECRET/RELEASE
TO GERMANY ONLY

EE/6/2
10 May 1956

MEMORANDUM FOR: Chief of Operations, DD/P
SUBJECT: Information on CIA/ZIPPER Relationship

1. CIA took over the Gehlen organization from the U.S. Army on 1 July 1949. CIA sponsorship continued until 1 February 1956 when the German Federal Republic assumed financial support and proceeded with the integration of the organization into the government.

2. Financial Support:

a. Total U.S. financial support from 1 July 1949 through 31 June 1956	\$25,184,539.44
b. Average yearly cost during the above 7 year period	\$3,597,791.07
c. Highest annual budgets were 1954 and 1955. During these years the budget exceeded	\$5,000,000.00
d. CIA will continue to give financial support to certain CIS activities of special interest to the U.S. for which German Federal Republic funds are not available (i.e. stay behind program, ELINT program, communications equipment and possibly other activities). During the current period of transition it is difficult to predict accurately the level of U.S. support required. In order to insure that adequate funds will be available we have budgeted for \$729,800.00 for fiscal year 1957. Of this sum only \$479,000.00 has so far been earmarked for specific projects.	

3. Personnel Strength of Organization At time of turnover:

a. Staff (Headquarters and Field)	1256
b. Agent type support personnel <u>West of Iron Curtain</u>	547
c. Agent personnel <u>East of Iron Curtain</u>	687
d. Total	<u>2,490</u>

4. Benefits received by U.S.:

a. Positive intelligence (Military, Economic, Scientific/Technical, Political) disseminated to interested U.S. customers, including both spot and finished intelligence approx 5,000 reports per year during the 7 year period.

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- b. CI/CE Information: Considerable valuable counter intelligence information on the Soviet Bloc which cannot be measured in terms of numbers of reports has been received.
- c. Communications Intelligence: The U.S. has received the product of a German effort developed in this field.
- d. ELINT: The U.S. will share in the product of an ELINT program which was recently initiated.
- e. A considerable amount of knowledge and experience regarding German intelligence operations and practices has been built up by CIA during the period of this trusteeship.
- f. CIA has been assured that the U.S. will continue in the future to receive the full intelligence product on the Soviet Bloc of this organization.

5. Benefits derived by the Germans:

- a. Financial and legal support from the U.S. over a period of years enabled the Germans to have in existence in advance a well-rounded intelligence service with a considerable amount of up-to-date knowledge and experience when the need for such a service arose in the German government.
- b. The guidance received by the Germans from CIA during the trusteeship period resulted in a substantial enhancement in operational competence on the part of the Germans.
- c. The Germans benefited considerably from direct technical and operational support which CIA was able to provide by virtue of its superior size and resources.

[REDACTED]
ME/O/Z

Distribution:

Orig & 1 - Addressee
2 - mEE/G/Z
1 - RI

SECRET

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6-6174

SECRET
SECRET/RELEASE
TO GERMANY ONLY

DD/P - 2-4799

Executive Registry
B-2945

15 May 1956

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: CIA Relations with the GIS

1. This memorandum is for information only. Particular reference is made to paragraphs 2 and 3. Its purpose is to present a brief survey of our current relations with the former ZIPPER Organization and how those relations were affected by the transfer of that organization to the German Federal Republic.

2. As previously reported, the German government assumed the major financial responsibility for ZIPPER as of 1 February 1956, and it was at this point that the period of CIA trusteeship is considered to have come to an end and to have been replaced by a pure liaison relationship. Inasmuch as funds to cover the budget for February and March of 1956 had already been advanced to General Gehlen by CIA, corresponding sums were repaid to CIA by the Finance Ministry of the German Federal Republic. Receipts for these repayments were signed by Colonel Critchfield using the name: Kent J. Marshall, Colonel G. S., United States Army. These documents, copies of which are on file here, together with the GIS written request for advancement of these funds are of significance in that they represent the only written evidence of the transfer effected 1 February 1956.

3. With the accomplishment of the transfer, the Pullach Operations Base moved from the Pullach Compound, which had heretofore been shared with ZIPPER, to the U. S. military compound at McGraw Kaserne. By agreement with General Gehlen, liaison between the CIA staff and the GIS staff continues in the Munich-Pullach area on a broad basis and in a form similar to that in effect before the transfer. Top level liaison of a more overt nature is conducted between CIA and the GIS in Bonn. The GIS also conducts its liaison with other friendly services in Bonn and takes the position with those services that no liaison is conducted in Pullach. Therefore, in order to preserve this favored CIA position, it is necessary for CIA to conduct the Pullach liaison in a very discreet and unobtrusive manner.

John A. Gross
Chief, Eastern European Division

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